

## Implementation of Bail Bond Tax

## Bail Bond tax notice

Tennessee Code Annotated Title 67, Chapter 4 is amended to levy a tax on all bail bonds in this state. This amendment to the law was signed by the governor on July 24, 2001, and is effective immediately. Basically, the language of the new law provides:

(1) A tax of \$12 is levied on all bail bonds in Tennessee. This tax is to be collected by the bail bondsman from the person that posts the bond on behalf of the accused. The tax must be paid to the bondsman **before** the bond is written. The tax must be collected on all bonds written on or after July 24, 2001. A bail bond is not valid if the required tax has not been collected.

(2) An increase or decrease in the amount of an existing bail bond will not constitute a new bail bond for the purposes of this tax. However, if a bail bond is sought pending the appeal of a conviction, an additional tax of \$12 will be imposed, even if the bond is a continuation of a previous bond.

(3) The tax is a state tax only and will be administered by the Department of Revenue. Bail bond tax revenues will be deposited into the civil legal representation of indigents fund created by Tenn. Code Ann. Section 16-3-808 with 4% earmarked to underwrite costs associated with development and provision of continuing education required by Title 40, Chapter 11, Part 4 (Continuing Education for Professional Bail Bonding Agents).

In order to collect and remit the tax, all bail agents must register with the Department of Revenue. Enclosed is an [Application for Registration](#). **This application must be completed fully and must be returned to the Department of Revenue no later than August 10, 2001.**

The bail bond tax will be remitted quarterly. Each quarterly return with remittance for the prior quarter will be due the 25th of the month following the close of the quarter. Accordingly, the due dates for the four quarterly returns required for a calendar year will be April 25, July 25, October 25, and January 25 of the following calendar year. The bondsman collecting the tax must hold it in a separate trust account until it is remitted to the Department of Revenue with the quarterly tax return.

The first return will be due in the Department of Revenue on October 25, 2001, and will be for the quarter ending on September 30, 2001. Reporting forms will be mailed to all registered bail bond taxpayers during the last week in September. These reporting forms will include the taxpayer's name, address, account number and reporting period.

Have questions or comments? Please let us know. [Contact us.](#)

Publication Date: July 2001