



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard *Cliff*
Executive Director

DATE: 16 June 2022

SUBJECT: Personal Property Tax - Panel

In response to a request by Senator Lundberg at our January 2022 meeting, the Commission is studying the personal property tax in Tennessee. We will complete a draft report for our September 2022 meeting, and that report will examine

- costs to businesses, large and small, to file and pay the tax, and compliance levels;
- variances among local governments, large and small, as to the percent of the tax collected to overall revenue bases;
- costs to local governments, large and small, to collect delinquent payments;
- possible revenue replacement models that would be fair and equitable to businesses, large and small, and to local governments; and
- recommended actions on elimination and/or reductions in the tangible personal property burden on businesses and local governments (phase-out or one time).

For the purposes of taxation, property is classified as either real or personal. Tennessee's Constitution requires that local governments with a property tax apply the tax uniformly to all commercial, industrial, and public utility personal property. The state constitution defines personal property as all property that is not real property and as "articles of value that are capable of manual or physical possession."

Today, the Commission will hear from six experts with knowledge of the issues:

- Jim Brown, State Director, National Federation of Independent Businesses
- Will Denami, Executive Director, Tennessee Association of Assessing Officers
- Kelsie Jones, Attorney, Jones Law Office PLLC
- Kevin McAdams, CPA, Elliot Davis
- Karen Paris, Williamson County Trustee; and
- Daniel Sohn, Vice President of Finance and Operations, Vireo Systems.