



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



226 Anne Dallas Dudley Blvd., Suite 508
Nashville, Tennessee 37243-0760
Phone: (615) 741-3012
Fax: (615) 532-2443
www.tn.gov/tacir

MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard
Executive Director

DATE: 18 December 2025

SUBJECT: Public Chapter 341, Acts of 2023—Personal Property Tax

Public Chapter 341, Acts of 2023, authorizes taxpayers to certify personal property of less than \$2,000 or \$10,000 in lieu of detailing acquisition costs on the reporting schedule. Previously, there was one threshold at \$1,000. The Act also requires TACIR to monitor implementation of the Act and periodically report its findings on the impact of the Act on collections and administration of the business personal property tax to the General Assembly.

Staff of the Tennessee Comptroller of the Treasury expect to provide personal property assessments data to TACIR staff in January or February 2026. Once the analysis is complete, TACIR staff plans to report to the commission later in 2026. The data is expected to show the number of taxpayers that used the \$2,000/\$10,000 tiers, while making other analysis possible as well.

In the meantime, as part of its implementation monitoring, TACIR staff surveyed property assessors in Tennessee to gauge the effects of the Act. Based on the survey responses, the \$2,000/\$10,000 tiers do not seem to have much effect on assessments, or, by extension, collections. Taxpayers were reportedly happy about the time they saved filling out the tax return. The tiers tended to be used by new businesses, while existing businesses with their personal property on file were more likely to update their filings.

Most assessors thought that the \$2,000/\$10,000 tiers did not change their costs or that changes were hard to quantify, though one said staff time spent on personal property tax assessments actually increased because of confusion with the \$2,000/\$10,000 tiers. Some taxpayers didn't understand that when selecting a tier they were selecting their

assessment, also needlessly filling out the personal property reporting schedule. The assessor suggested that adding details to the instructions on the reporting schedule could reduce confusion.

A few of the responding assessors want further changes to Tennessee's personal property tax. One assessor said the gap between \$2,000 and \$10,000 is too large. Another said removing the tier boxes would simplify the process. When asked about Tennessee's personal property tax in general, one assessor thought that Tennessee should adopt a minimum appraisal threshold, though the change could decrease local revenue and require an amendment to Tennessee's constitution. TACIR's 2022 report, *Both Businesses and Local Governments Could Benefit from Improvements to Tennessee's Personal Property Tax*, found that "Tennessee's constitution requires that local governments with a property tax apply it uniformly to all commercial, industrial, and public utility personal property."