

PUBLIC ACTS, 1999

CHAPTER NO. 236

SENATE BILL NO. 77

By Rochelle

Substituted for: House Bill No. 194

By Kisber

AN ACT To amend Tennessee Code Annotated, Section 67-2-104, relative to the exemption from taxation of trustees and trusts used in an asset-backed securitization.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-2-104, is amended by adding a new subsection as follows:

() The tax imposed by this chapter shall not apply to business trusts, as defined in Section 48-101-202(a), when the commercial domicile of the trustee is not in the State of Tennessee and whose sole purpose, except for foreclosures and dispositions of the assets of foreclosures, is the asset-backed securitization of debt obligations, such as trade receivables (whether an open account or evidenced by a note or an installment or conditional sales contract), obligations substituted for such trade receivables, credit card receivables, personal property leases treated as debt for purposes of the Internal Revenue Code of 1986, as amended, home equity loans, automobile loans or similar debt obligations. The term "trade receivables" as used in the above sentence is defined as obligations arising from the sale of inventory in the ordinary course of business.

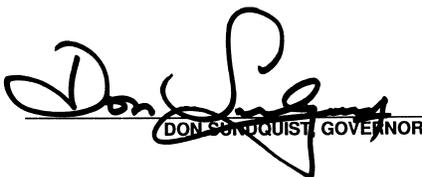
SECTION 2. This act shall take effect upon becoming a law, and shall apply to tax years beginning on or after December 15, 1998, the public welfare requiring it.

PASSED: May 20, 1999


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 27th day of May 1999


DON SUNDQUIST, GOVERNOR