

Changes in Professional Privilege Tax Exemptions

Professional
Privilege
Tax

To: Federal Government Employees
Holding Licenses Subject to
Tennessee Professional Privilege
Tax

Senate Bill No. 1874/House Bill. No. 1991, passed by the Tennessee General Assembly on May 29, 2003, contains a repeal of the exemption from professional privilege tax for full-time state employees that was granted in Chapter 856 of the Public Acts of 2002. This exemption, which was granted for state employees, was administratively interpreted to include federal employees in accordance with an opinion of the Tennessee Attorney General. The repeal of the exemption for state employees also constitutes the repeal of the exemption for federal employees.

The legislation provides as follows:

All persons who were licensed or registered to engage in a vocation, profession, business, or occupation subject to this tax on June 1, 2003, but who were previously exempt from the tax because of the operation of Section 7(b) of Chapter 856 of the Public Acts of 2002, are hereby declared to be liable for the tax imposed by this part, which shall be due and payable on June 30, 2003.

The legislation further contains a provision that any employer, including any governmental entity, may remit the tax on behalf of their employees.

Federal employees who hold Tennessee licenses active as of June 1, 2003, for professions listed below, must file their professional privilege tax returns and pay the \$400 tax on or before June 30, 2003.

These returns may be filed electronically at www.tennessee.gov/revenue.

The following professions are subject to the professional privilege tax under Tenn. Code Ann. § 67-4-1702:

- (1) Persons registered as lobbyists;
- (2) Persons licensed or registered under title 48, chapter 2 as agents; broker-dealers; and investment advisors;
- (3) Persons licensed or registered under title 62 as: accountants; architects; brokers, as defined in § 62-13-102(2); engineers; landscape architects.
- (4) Persons licensed or registered under title 63 as: audiologists; chiropractors; dentists; optometrists; osteopathic physicians; pharmacists; physicians; podiatrists; psychologists; speech pathologists; and veterinarians;
- (5) Persons licensed as attorneys by the supreme court of Tennessee.
- (6) Persons registered as athlete agents pursuant to title 49, chapter 7, part 21.

If you have any questions, you may call any of our HELP NUMBERS:

Chattanooga	(423) 634-6266
Knoxville	(865) 594-6100
Jackson	(731) 423-5747
Memphis	(901) 213-1400
Johnson City	(423) 854-5321
Nashville	(615) 253-0600

Tennessee residents may call our statewide toll-free number at (800) 342-1003. Out-of-state callers may dial (615) 253-0600.