TN Department of Human Resources

POLICY

Approved by: Rebecca R. Hunter, Commissioner	**Policy Number:** 12-046
Signature: Rebecca R Hunter	**Supersedes:** 11-066; 04-021
Application: Executive Branch Agencies; Human Resource, Payroll and Budget Officers	**Effective Date:** October 3, 2012
Authority: T.C.A. § 4-3-1703, T.C.A. § 8-30-104, T.C.A. § 8-30-203, T.C.A. § 67-4-1701 et seq.	**Rule:** N/A

Subject:

Professional Privilege Tax Payments for State Employees

Tenn. Code Ann. § 67-4-1701 et seq. levies a tax upon certain occupations which require professional licensure or registration. A complete list of these professions can be found at Tenn. Code Ann. § 67-4-1702. Pursuant to Tenn. Code Ann. § 67-4-1709, the State, as an employer, may pay this tax for its employees. Such payments must be authorized annually through language in the appropriations bill.

Upon passage of the appropriations bill, payments will be made on behalf of full-time executive branch employees who are actively employed and have an active license or registration as of June 1 of the current fiscal year, provided that his or her professional license or registration meets one of the following criteria: (1) the license or registration is a requirement of the employee's job classification; or (2) possession of the license or registration enhances the performance of the major duties and responsibilities of the employee's position.

Agencies must identify employees covered by this policy and forward the same to the Classification/Compensation Division of the Department of Human Resources no later than a date established and communicated to the agencies annually.

In situations where agencies are requesting payment of the privilege tax for an employee whose job classification does not require professional licensure or certification, the agency must provide additional supporting documentation on how possession of the licensure or certification enhances the employee's performance of his or her job duties and responsibilities. The Department will review the information submitted by the agency and notify agencies of the results within one (1) week of receipt. Agencies will then submit the approved names for payment to the Department of Revenue.

Questions regarding this policy should be directed to the Classification/Compensation Division.