

Hall Income Tax Notice

Notice #16-05

July 2016

Phasing Out of Tax

The Hall Income Tax Rate Is Reduced to Five Percent

The Tennessee General Assembly recently passed legislation (Public Chapter 1064 (2016)) that reduces the Hall income tax rate from six to five percent for tax years beginning January 1, 2016, and after.

Action Must Be Taken To Reduce the Rate over the Next Five Years

This new law requires full repeal of the Hall income tax for tax years beginning January 1, 2022. It expresses legislative intent that the tax be statutorily reduced by one percent annually, though this will require new legislation each year. If no action is taken, the rate will remain at five percent until January 1, 2022.

For More Information

Visit <u>www.tn.gov/revenue</u>. Click on Revenue Help to search for answers or to submit an information request to one of our agents.

References

Tenn. Code Ann. § 67-2-102, Tenn. Code Ann. § 67-2-119, Tenn. Code Ann. § 67-2-124

Disclaimer: The information provided here is current as of the date of publication but may change as a result of new statutes, regulations, or court decisions. While this notice is intended to be comprehensive, events and situations unanticipated by this notice may occur. In such cases you should contact the department or your tax professional for further guidance.