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Summary and Recommendations: Opportunity for Improvement Without Decreasing Local Revenue

Each year, business owners in Tennessee receive notices and forms from their local governments asking them to prepare their tangible personal property taxes. Compliance can require that they spend hours or even days accounting for every item on the premises: everything from desk lamps to warehouse forklifts to breakroom coffeemakers. Even lighting fixtures on the wall and a single stapler in a drawer should be counted. Many small business owners say the cost of compliance often exceeds what they may pay in the final tax. For the local governments that collect these taxes, the process is not always easy either, as disproportionate numbers of tax bills go unpaid, and local officials may spend considerable time and resources pursuing what are very small delinquent tax bills. Both business owners and local government officials alike therefore say that filing, paying, and collecting personal property taxes can be burdensome. Nevertheless, local governments rely on personal property tax revenue to fund schools and other essential services, and Tennessee's constitution requires that local governments with a property tax apply it uniformly to all commercial, industrial, and public utility personal property.

With these issues in mind, in January 2022, Senator Lundberg proposed that the Commission study the tangible personal property tax to examine the costs to businesses both large and small to report and pay the tax; their levels of compliance; how much the tax contributed to the overall revenue bases of local governments large and small, as well as the costs to those governments to collect on delinquent taxes; and possible recommendations for alleviating the burdens of the tax and revenue replacement models that could be used if the tax were reduced or eliminated altogether. The Commission has identified several alternatives both to make compliance easier for taxpayers, tax preparers, and local governments without reducing local revenue and to inform new business owners of the tax to encourage compliance, and it has identified a potential update to the system of industry classifications that the state uses for the business tax.

Filing and collecting the tax presents challenges for both businesses and local governments.

The intricacies of assessing personal property create challenges for many businesses. Among the complaints that businesses raise about the tax, the most frequent is that compliance can be confusing and time-consuming, especially for smaller businesses.

Personal property and the tax on it are something distinct from what most people usually think of as property taxes. Personal property isn't necessarily "personal" in the ordinary

sense of the word, and the tax on it, at least as the law stands today, does not apply to individuals or households. Rather, personal property taxes are something paid by businesses, and “personal” is defined in opposition to “real” property—that is, real estate. In other words, personal property is simply everything a business owns that can in some way be removed from the business’s land and buildings. Like real property, personal property is taxed on the basis of its assessed value. But with real property, a local government assessor will make their own evaluation of property value and send notice to a taxpayer of how much they owe based on that. Personal property, by contrast, is self-reported, meaning it is the duty of the business to track and itemize each piece of property, no matter how small, and accurately report that information to the local assessor. Of all tangible personal property, only merchandise inventory is excluded from taxation—everything else that the business owns must be accounted for. Personal property accounts are also site-based, so if a business has multiple locations, perhaps even located in different cities or counties, it must perform an assessment for each of them.

All of this can make assessment a lengthy process. One small business owner reported that the assessment took two employees working 10 hours each to complete; others required still more time, in some cases as much as an entire week of labor, making the personal property tax, in one business representative’s estimation, “probably the most burdensome” of all the taxes that they had to file.

The tax bills for many businesses can also be quite small—in the case of Williamson County, for instance, 22% of personal property accounts yielded tax bills of \$10 or less. At such levels it is possible, as some businesses claim, that they spend more on the work of assessing their personal property than they ultimately pay on the tax itself.

When a business fails to file on time, it becomes subject to what is called a forced assessment in which the county assessor determines an assessment value on their own. In 2020, fully 40% of personal property accounts underwent forced assessment, and those were disproportionately likely to be smaller accounts: 46% of accounts under \$10,000 were forced, while only 6% of those greater than \$10 million were forced.

If the tax goes unpaid, the taxpayer becomes delinquent, and this too is a frequent concern with personal property taxes. In Tipton County, for example, about a quarter of accounts ended up in delinquency last year; in Williamson County, the figure was 27%. Delinquency is also more frequent with personal property than with real property taxes. And while it is not possible to compute an exact cost for pursuing delinquencies, many local officials attest that, where small accounts are concerned, the cost of staff time, resources, and even postage could easily outstrip the value of what stands to be collected. As one county trustee explained, they might “send multiple bills in an attempt to collect

a past due bill and spend more than the bill itself, especially [for] \$1 to \$5 tax amounts.” Yet as many assessors and trustees emphasized, they are required to treat all tax accounts equally, meaning that they cannot choose to overlook even the smallest tax bills—they must all be pursued with the same rigor. Because the state constitution stipulates that all business personal property must be assessed, the constitution would have to be amended to exempt businesses from it, and local governments don’t have much flexibility in how to administer it.

The personal property tax has many interlocking parts in both constitutional and case law.

Tennessee is not unusual in having a personal property tax—43 other states also have it—but it is unusual in how little flexibility the General Assembly has to amend it. By declaring that personal property shall be assessed, specifying an exact assessment ratio, and requiring a single property tax rate for both real and personal property, the Tennessee Constitution does not simply authorize local governments to assess personal property but in effect mandates it. Some questions have been raised in the past about these constitutional requirements, and while the courts have recognized that the state has some latitude in how the tax is administered, stakeholders generally have agreed that it does not extend so far as creating broad-based exemptions for all personal property tax accounts. But some narrower exemptions have been allowed. For example, the state constitution calls for assessing the personal property of households; however, this is not done because in 1977, the General Assembly passed a law that “deemed [such property] to have no value,” essentially negating the tax for households. This was later challenged and taken to the Tennessee Supreme Court because it amounted to an exemption—thereby undercutting the intent of the state constitution—but the law was allowed to stand solely because the state was able to show that the collection of the tax from private households was “impractical” and cost more than it generated in revenue. But while the collection of business personal property taxes may not be perfectly efficient, it cannot be said to result in a total net loss of revenue, and so the logic of that case does not readily extend to an exemption for commercial and industrial personal property. Consequently, were the General Assembly to amend state law to set the value of personal property to zero for tax purposes, effectively eliminating the tax, the law would not likely stand up to a constitutional challenge.

Tennessee’s legal framework around the personal property tax is thus quite distinct from most other states. While some—but not all—states have exemptions of one type or another, such as for businesses with only small amounts of personal property, Tennessee does not have such exemptions and could not enact them (nor eliminate the tax outright)

without amending the state constitution as it did in 1972 when the current personal property tax was largely shaped into its present form.

Moreover, the current state of law around personal property taxation has been further influenced by many years of litigation, settlements, and statutes meant to ensure balanced and equitable administration. For example, some businesses that span multiple jurisdictions are centrally assessed at the state level, rather than by individual local governments, and historically had their property assessed at a higher rate. A 1996 case between airline companies and the Tennessee State Board of Equalization, however, led to a settlement in which those companies receive a 15% discount to bring them more in line with the assessment rates that other businesses receive. Yet that agreement rests in part on the existing statutory depreciation tables used for personal property taxes, which determine the rate at which the value of property is allowed to depreciate, or decline, over time. If those depreciation schedules were to be amended in any way, it could result in renewed litigation. Federal law, meanwhile, also prohibits discrimination against centrally assessed property, such that any change in state law that might give advantages to locally assessed property might again incur litigation.

Equitably replacing personal property tax revenue would prove challenging.

Were the state to reduce or eliminate the personal property tax by a constitutional amendment, local governments would likely look to the state to replace the lost revenue. Based on assessment data provided by the Tennessee Comptroller of the Treasury, there was potentially \$447 million in personal property tax revenue that could have been collected by local governments across the state in 2020 (actual personal property tax collections are not reported separately from total property tax collections). Overall, personal property tax assessments were 6.5% of total property tax assessments—but that is only an average, and for individual counties and cities, that figure can vary widely, in some cases making up more than a third of some smaller local governments' assessments. This is especially common in smaller counties and, still more so, in smaller cities, where there might be a single large manufacturing business. Similarly, overall estimates of personal property tax revenue were about 3% of total tax revenue for counties and 4% for cities. But the figure was as high as one-fifth for some local governments. While eliminating the personal property tax would result in some businesses paying more in other taxes—because businesses may claim a business tax credit of up to 50% of personal property taxes paid—any decrease in personal property taxes would leave local governments with less net revenue and the state would likely need to replace any lost revenue to help ensure that local governments can meet their funding obligations (e.g. bonds and school funding).

Although there are several state and local taxes that businesses pay that might be considered as sources for replacement revenue, each has a somewhat different set of taxpayers than the personal property tax. For example, doctors and lawyers owe personal property tax but not business tax. Similarly, sole proprietorships, general partnerships, and family-owned non-corporate entities (FONCE) owe personal property taxes but do not owe state franchise and excise taxes. Unlike personal property taxes, most sales and real property taxes are paid by individuals, not businesses. Because of the differences in these tax bases, relying on other taxes to replace personal property tax revenue could be inequitable for businesses or individuals that end up paying more in taxes.

There are some options for alleviating some of the burdens of the tax beyond exemptions or elimination.

Short of amending the constitution, the Commission has identified several alternatives that would potentially address stakeholder concerns about the personal property tax, including those that would ease administrative burdens of the tax and those that would otherwise encourage compliance with the tax. For example, the state already has an alternative certification process that allows some businesses to streamline the process of complying with the personal property tax: on the assessment form, a business can forgo itemizing their property if they certify—subject to audit—that they have \$1,000 or less of personal property. In that case, they will still file and pay the tax as if they had exactly \$1,000 in total personal property, so it does not constitute an exemption, only a kind of expedited assessment. But this is an option currently available only for the very smallest businesses, or approximately 13% of all businesses in the state, meaning that most must still itemize.

Adopting additional thresholds at greater amounts would allow more businesses to take advantage of the time-saving benefits of certification. Care would need to be taken when setting additional thresholds, however, because businesses that choose to certify can only increase their tax bill, and the amount they might overpay increases at greater thresholds. For example, a \$10,000 certification option might be more appealing to a business with \$9,000 in personal property than a business with \$2,000. Also, at thresholds greater than \$10,000, the number of additional accounts that would be eligible to certify diminishes quickly (see table 1 below). **Nevertheless, to give more businesses a means to reduce the time and cost of filing personal property taxes without decreasing local tax revenue, the Commission recommends that the General Assembly consider adding one or more tiers at greater dollar amounts.**

**Table 1. Number and Percent of
Personal Property Tax Accounts That Fall
Below Various Value Thresholds
2020**

Value Threshold	Number of Accounts	Percent of All Accounts
\$ 1,000	33,247	12.8%
\$ 2,000	58,011	22.4%
\$ 3,000	72,478	28.0%
\$ 4,000	83,658	32.3%
\$ 5,000	93,746	36.2%
\$ 6,000	102,052	39.4%
\$ 7,000	108,949	42.1%
\$ 8,000	123,642	47.8%
\$ 9,000	128,663	49.7%
\$ 10,000	134,080	51.8%
\$ 20,000	166,714	64.4%
\$ 30,000	182,860	70.6%
\$ 40,000	194,009	75.0%
\$ 50,000	201,989	78.0%
\$ 1,000,000,000	258,841	100.0%

Source: TACIR staff analysis of data provided in email from Ryan Duggin, assistant director, Tennessee Comptroller of the Treasury, February 15, 2022.

Another alternative that could help ease the administrative burden of the tax is electronic filing (e-filing). With businesses filing by mail, it may take weeks for the assessor’s office to open thousands of envelopes and then enter the reported data manually into the records system. Although e-filing is freely available to county assessors through the Tennessee Comptroller of the Treasury’s computer-assisted mass appraisal system known as IMPACT, counties are not required or otherwise incentivized to adopt e-filing, and most county assessors in the state have not. Rather, about two-thirds of Tennessee’s counties continue to rely on paper filings, while only a third offer e-filing. Of the latter, five counties have developed or contracted for their own e-filing systems, and another 24 make use of e-filing through IMPACT. Larger counties that have adopted e-filing, like Davidson and Shelby counties, do report improved efficiency in the process, but smaller

counties, especially those that do not collect much personal property tax revenue, may not be convinced of the benefits.

Counties that have transitioned to the use of e-filing have noted there are several advantages. As the Assessor of Property for Davidson County observes, in addition to saving time and labor for the assessor's staff, e-filing also saves on postage costs. Moreover, to the extent that it is faster to use and available at any time, it may aid in compliance, with one county assessor attributing recent improvements in tax filing compliance rates to the adoption of e-filing. **To encourage increased compliance with the tax, streamline the reporting process for businesses, reduce labor and costs for assessors, encourage consistency in filing requirements across jurisdictions, and modernize the filing process, the Commission recommends that county assessors consider adopting e-filing and that they continue to be encouraged to do so.** Alternatively, the state could provide e-filing at the state level for all filings in the state as other states have done.

To encourage compliance with the tax, some local government stakeholders have proposed withholding business license renewals from those who have not paid their personal property taxes, as some states have done, in the hope that this might encourage better compliance. Similarly, some states withhold vehicle registrations or driver licenses from taxpayers that have not paid personal property taxes for their vehicles. Minnesota even goes as far as placing a lien against real property when personal property taxes are not paid. Another idea is to require businesses to pre-pay some of their personal property taxes. Tennessee authorizes, but does not require, county trustees to accept pre-payment of property taxes.

There are other means to encourage compliance, however. Many newer businesses only first learn of the tax when they receive notice in January and do not understand either what the tax is or how to perform the assessment. When a new business is established, it registers with the Tennessee Department of Revenue's Tennessee Taxpayer Access Point (TNTAP) system to pay their state-collected taxes, and new business owners may be under the impression that that system handles all of the taxes they must pay; however, local governments administer property taxes, not the Department of Revenue, and although the Department of Revenue does provide some information about personal property taxes on its website, it could be easy for new businesses to overlook. **To better inform taxpayers of their tax obligations and enhance compliance, the Commission recommends that new businesses receive an email upon registration of their business licenses that outlines all of the taxes they might owe, including local taxes.** The e-mail could be a collaboration between the staff of the Tennessee Comptroller of the Treasury and the Tennessee Department of Revenue.

Tennessee’s business tax was enacted in 1971 to replace revenue foregone when business merchandise inventories were exempted from personal property taxes, and up to 50% of business taxes owed can be offset with a credit for personal property taxes paid. Business tax rates vary according to how the business is classified using the Standard Industrial Classification (SIC) system. In 1997, a new system, the North American Industrial Classification System was created to replace SIC; however, Tennessee’s business tax continues to use SIC. In contrast, personal property tax account data use NAICS. Although the NAICS Association provides crosswalks between NAICS and SIC on its website, comparisons between the two can be difficult because, for example, SIC does not include many products and services that have emerged since its last update in 1987. NAICS is updated periodically, most recently in 2017. **To ensure that business tax records across different governmental databases are consistent and updated, the Commission recommends that the General Assembly amend state law to update the industry classifications used for the business tax from the Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS).**

DRAFT

Analysis: Both Businesses and Local Governments Could Benefit from Improvements to Tennessee’s Personal Property Tax

Both business owners and local government officials say that personal property taxes are administratively burdensome, demanding considerable time, effort, and cost to file and collect. Yet the revenues from personal property taxes are nevertheless an important source of funding for local governments, helping to maintain schools and other vital services. Moreover, the state constitution mandates that the tax be assessed.

For these reasons, at the January 2022 Commission meeting Senator Lundberg asked the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) to study the personal property tax in Tennessee, examining:

- costs to businesses, large and small, to file and pay the tax, and their compliance levels;
- variances among local governments, large and small, as to the percent of the tax collected compared to their overall revenue bases;
- costs to local governments, large and small, to collect delinquent payments;
- possible revenue replacement models that would be fair and equitable to businesses, large and small, and to local governments; and
- recommended actions for either elimination or reductions in the tangible personal property burden on businesses and local governments.

The administration of the tangible personal property tax is uniquely complex.

Personal property taxation may not be well known to the general public, but it applies to all businesses in Tennessee as well as public utilities,¹ and refers to assets such as furniture, office supplies, equipment, vehicles, raw materials, and so forth—in short, everything that a taxpayer owns apart from land and real estate. It is, in fact, “every species and character of property that is not classified as real property,”² or as state law elaborates:

¹ Article II, Section 28, of the Tennessee Constitution; and Tennessee Code Annotated, Sections 67-5-901 and 67-5-903.

² Tennessee Code Annotated, Section 67-5-501(8).

(2) “Commercial and industrial tangible personal property” includes personal property, such as goods, chattels and other articles of value that are capable of manual or physical possession, and machinery and equipment that are:

(A) Used essentially and principally for the commercial or industrial purposes or processes for which they are intended; and

(B) If affixed or attached to real property, can be detached without material injury to such real property.³

Personal property taxation is codified in the state constitution. Article II, Section 28, says “tangible personal property shall be . . . assessed” and then proceeds to identify three classes of personal property and specify the exact assessment ratios that are to be applied to them:

(a) Public Utility Property, to be assessed at fifty-five (55%) percent of its value;

(b) Industrial and Commercial Property, to be assessed at thirty (30%) percent of its value; and

(c) All other Tangible Personal Property, to be assessed at five (5%) percent of its value; provided, however, that the Legislature shall exempt seven thousand five hundred (\$7,500) dollars worth of such tangible personal property which shall cover personal household goods and furnishings, wearing apparel and other such tangible property in the hands of a taxpayer.⁴

Besides these three types—utility, commercial, and other—there are other ways to classify personal property under Tennessee law. For example, there is a distinction between tangible and intangible personal property—the former consists of any moveable physical objects and materials, while the latter comprises financial instruments, stocks, and so forth.⁵ Alongside that, there are both locally and centrally assessed personal property taxes. Most businesses are assessed by their local governments, but utility companies and some other large businesses are centrally assessed by the Tennessee

³ Tennessee Code Annotated, Section 67-5-501(2).

⁴ Tennessee Constitution, Article II, Section 28; see appendix A.

⁵ Tennessee Code Annotated, Section 67-5-501(2) and (5).

Comptroller of the Treasury instead.⁶ Moreover, both in statute and on the assessment form itself, personal property is classified into one of 10 different groups; for instance, furniture is part of group one in the standard assessment schedule, while group two covers computers and copiers, group three dies and molds, and so on.⁷ According to the statute, these classifications determine how quickly a piece of property can depreciate in value, directly affecting its assessed value and thus how much a taxpayer ends up paying.⁸

Personal property assessment is often a lengthy process.

Each year, local governments will send out assessment forms to businesses no later than February 1, which the businesses must then complete and return by March 1.⁹ A few counties, such as Davidson County, now offer online filing options to expedite this process, but many still rely on paper mailings.¹⁰

Unlike for real property, in which the local government assessor makes their own evaluation of property value, personal property is self-reported. For a business, the task is thus to inventory every tangible asset they have on the premises, whether that be furniture, office supplies, scrap material, electronics, manufacturing equipment, vehicles, or almost anything else. To accurately compute the value of any given item, the business must determine which of 10 categories it falls under in the assessment schedule. For some property, its value is determined by its resale value, meaning an estimate must be made of what it could be sold for. In other cases, it depends on what the business paid to first purchase it, in which case the business must maintain records of when each item was acquired and for how much. The business will also need to track and confirm that each item in its records is actually present and accounted for. The values for each piece of property must then be added together and reported back to the local assessor's office.¹¹

⁶ Tennessee Code Annotated, Section 67-5-1301.

⁷ Tennessee Code Annotated, Section 67-5-903(f). See, for example, Williamson County's Schedule B: <https://www.williamsoncounty-tn.gov/DocumentCenter/View/21944/2022-Schedule-B-1>.

⁸ Tennessee Code Annotated, Section 67-5-903(f).

⁹ Tennessee Code Annotated, Section 67-5-903.

¹⁰ Email correspondence with Bryan Kinsey, director, Comptroller of the Treasury, Division of Property Assessments, August 3, 2022; and videoconference interview with Gabe Looney and Joe Griffin, property assessment consultants, University of Tennessee, County Technical Services Association, February 11, 2022.

¹¹ Tennessee Code Annotated, Section 67-5-901 et seq.

Suppose a small business conducted an inventory of its personal property, categorizing all of the items (furniture, office supplies, tools, machinery, and so on) and reported this to its local assessor. The assessor, after applying the depreciation ratios to each item based on its type, finds the business has exactly \$10,000 of personal property. The property tax rate itself varies by locale, but suppose for this example it is 0.4% (or \$0.40 per \$100 of assessed value, as it is usually expressed). The tax owed would then be calculated as shown in figure 1:

Figure 1. Example of Calculating Personal Property Tax Owed

Total personal property value:		\$10,000
Assessment ratio for businesses:	×	0.30
Assessed value:	=	\$3,000
Local property tax rate (per \$100 of assessed value):	×	\$0.40
Final tax amount owed:	=	\$12.00

For the assessor, processing the thousands of paper forms that they receive—opening envelopes and manually entering the data—can be time-consuming, and some local governments contract with outside firms simply to assist with this work.¹² As they review the filings, the assessors must select some businesses for audits, generally using a randomized list provided by the Comptroller’s office.¹³ Tax bills will be sent to businesses in the fall. At this point, after having been assessed, the tax becomes the responsibility of the local trustee, whose duty is to collect it.¹⁴

¹² Videoconference interview with Chip Cooke, chief executive officer, Tax Management Associates, February 22, 2022.

¹³ Videoconference interview with Gabe Looney and Joe Griffin, property assessment consultants, University of Tennessee, County Technical Services Association, February 11, 2022; videoconference with Brad Coleman, property assessor, and Linda Mangrum, personal property appraiser, Williamson County, May 3, 2022; and memorandum from Bryan Kinsey, director, Division of Property Assessments, Tennessee Comptroller of the Treasury to E. Robin Pope, executive secretary, Tennessee State Board of Equalization, March 31, 2022.

¹⁴ Tennessee Code Annotated, Section 67-5-1801.

Collection and Compliance

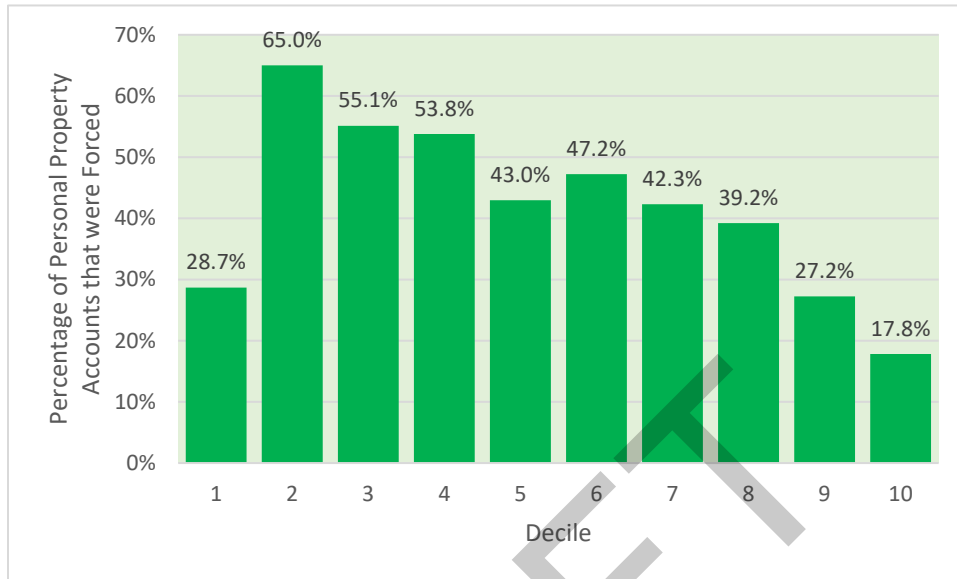
Businesses may fail to file, in which case a “forced assessment” takes place with the local assessor imputing an assessed value for the business.¹⁵ Interest may also be applied to the account.¹⁶ There is a correlation between the size of personal property accounts and how often they are forced, with 46% of accounts valued at under \$10,000 being forced in 2020, while only 6% of those greater than \$10 million were forced. Medium-sized accounts fall in between. All told, about two-fifths of accounts were forced that year.¹⁷ This is illustrated further in figure 2 below, where personal property tax accounts for the entire state are divided into 10 deciles with the value of the accounts increasing from left to right. Nearly two-thirds of accounts in the second decile were forced. These accounts had personal property valued at greater than \$1,000 but less than or equal to \$1,700 in 2020. For accounts valued greater than \$155,226, or those in the top 10%, just 17.8% were forced. Interestingly, the bottom 10% of accounts seem to break with the pattern, which may have something to do with the fact that some of those businesses have the option to expedite their filing by certifying that they have no more than \$1,000 in personal property (discussed below).

¹⁵ Tennessee Code Annotated, Section 67-5-903.

¹⁶ Tennessee Code Annotated, Section 67-5-2010.

¹⁷ TACIR staff analysis of data provided in email from Ryan Duggin, assistant director, Tennessee Comptroller of the Treasury, February 15, 2022.

Figure 2. Percentage of Personal Property Tax Accounts that were Forced by Percentile 2020



Source: TACIR staff analysis of data provided in email from Ryan Duggin, assistant director, Tennessee Comptroller of the Treasury, February 15, 2022.

Note: The maximum account values for each decile are as follows: 1: \$1,000; 2: \$1,700; 3: \$3,470; 4: \$6,200; 5: \$9,193; 6: \$15,583; 7: \$28,850; 8: \$58,879; 9: \$155,266; 10: \$1,028,700,897.

Once assessment is complete, the task of actually collecting the taxes falls to the local trustee, and here too there are compliance issues. If a taxpayer fails to pay after being sent repeated notice, then the account is said to be delinquent, and with personal property, this is a surprisingly frequent occurrence. In both Tipton and Williamson counties, for example, about a quarter of accounts were delinquent, even though personal property accounted for just 5% and 3% of combined property (real and personal) value in those counties, respectively.¹⁸

When an account becomes delinquent, the trustee is left with several options: seeking a distressed warrant from a court (which would allow for the seizure of personal

¹⁸ Videoconference interview with Karen Paris, trustee, Williamson County, March 16, 2022; and videoconference interview with Tipton County officials Mary Gaither, county clerk, Virginia Gray, collections agent, Rose Cousar, assessor, and Kristie Maxwell, trustee, March 15, 2022. TACIR Staff calculations based on Tennessee Comptroller of the Treasury 2021.

property); garnishment; a lawsuit against the taxpayer; and third-party collection.¹⁹ The trustee must expend some amount of staff time and resources to pursue delinquencies, and while it is not feasible to calculate a unit cost to collect on a single account, it could easily exceed what might be owed given the size of many tax bills.²⁰ In the case of Williamson County, for example, 22% of accounts in 2021 owed less than \$10.²¹ For accounts that owe \$1 to \$5, the cost of postage for bills and repeated notices alone might total more than the amount due.²² But the law requires uniformity in how tax accounts are treated: a local government cannot selectively enforce tax compliance for some accounts but not others.²³ Local governments are therefore legally bound to pursue delinquencies, even when the cost might run beyond the value of the tax owed.²⁴

According to data provided to TACIR staff by 19 county trustees, the percentage of personal property tax that is collected late tends to be greater in counties with populations of 50,000 or more. Less populous counties, on the other hand, spend a greater percentage on administration but less on delinquencies (see table 2). The costs to trustees to collect delinquent payments in general were relatively small and, overall, were less than the penalties and interest collected from delinquent accounts.

¹⁹ Videoconference interview with Stephen Austin, legal consultant, University of Tennessee, County Technical Assistance Services, February 23, 2022.

²⁰ Videoconference with Brad Coleman, property assessor, and Linda Mangrum, personal property appraiser, Williamson County, May 3, 2022.

²¹ Videoconference interview with Karen Paris, trustee, Williamson County, March 16, 2022.

²² TACIR survey of Tennessee county trustees.

²³ Tennessee Code Annotated, Section 67-5-306(b).

²⁴ Tennessee Code Annotated, Section 67-5-1901; and videoconference with Brad Coleman, property assessor, and Linda Mangrum, personal property appraiser, Williamson County, May 3, 2022.

Table 2. Collections and Costs, Percentage of Personal Property Tax Owed 2020

	Percent of Personal Property Tax Owed and Number of Counties Responding to the Survey					
	Counties with populations >50,000*	Number of Counties	Counties with populations <50,000	Number of Counties	Overall	Number of Counties
Total Personal Property Tax Owed	100.00%	10	100.00%	9	100.00%	19
Collected On-time	75.29%	10	88.55%	9	76.22%	19
Collected Late	21.46%	10	8.77%	9	20.57%	19
Penalties/Interest Collected	0.29%	10	0.30%	9	0.29%	19
Total Personal Property Tax Collected	97.05%	10	97.62%	9	97.09%	19
Cost to Administer Personal Property Taxes (except for delinquencies)	0.09%	7	0.23%	2	0.09%	9
Cost for Delinquencies	0.16%	7	0.06%	2	0.15%	9
Total Administrative Costs	0.24%	7	0.29%	2	0.24%	9

Source: TACIR survey of Tennessee county trustees.

Personal property taxes are unevenly distributed across the state and across industries.

The personal property tax is just one of several taxes that businesses might pay in Tennessee, but it does happen to be the one with the widest tax base, as it is paid by virtually anyone engaged in any form of commercial activity. In contrast, some might also pay a business tax, which is calculated on the basis of a business’s gross receipts, but this only applies to those who hold a business license—some professionals, such as doctors and lawyers, are not required to hold business licenses, and so do not generally pay the business tax.²⁵ The franchise and excise taxes (technically two separate taxes, though they are regularly filed together on the same form) apply to corporations, limited liability corporations, and limited partnerships, but not to persons with not-for-profit status, sole proprietors, or general partnerships, and there’s an exemption for some

²⁵ Videoconference interview with Tipton County officials Mary Gaither, county clerk, Virginia Gray, collections agent, Rose Cousar, assessor, and Kristie Maxwell, trustee, March 15, 2022.

family-owned not corporate entities (FONCE).²⁶ The personal property tax, however, must be paid by corporations, independent professionals, and mom-and-pop businesses alike.

While the state is able to assemble data on how much personal property is assessed across the state, tax collections are not always perfectly successful, and there is no one definitive source of data on the exact revenue collected. That said, the property assessment data does allow for estimates of the maximum possible revenue, and in 2020 this would have totaled \$446.7 million for the whole of Tennessee.²⁷ According to data from the Census of Governments, local governments in Tennessee collected a total of \$5.8 billion in combined property tax revenue in 2020, which local governments (counties, cities, special school districts, fire districts, and an industrial park district) rely on to fund schools, firefighting, and other local services. The \$5.8 billion represents

- 65% of local governments' tax revenue (not including intergovernmental revenue such as state-shared taxes),
- 33% of local governments' general revenue from own sources (tax revenue plus charges and miscellaneous general revenue),
- 22% of local governments' general revenue (general revenue from own sources plus intergovernmental revenue from the federal and state governments), and
- 16% of local governments' total revenue (general revenue plus utility revenue and employee retirement revenue).²⁸

Taking the 6.4% estimate of personal property as a percentage of total property tax assessments (adjusted for property tax rates and equalization factors)²⁹ and then multiplying by the percentages above yields the following approximations for how much personal property makes up of different slices of revenue (note that the Census of Governments does not split property tax data into real and personal property):

- 4.2% of local governments' tax revenue (not including intergovernmental revenue such as state-shared taxes),

²⁶ Tennessee Code Annotated, Sections 67-4-2007, 67-4-2105, and 67-4-2008(a)(11).

²⁷ TACIR staff analysis of Tennessee Comptroller of the Treasury 2021.

²⁸ TACIR staff analysis of US Census 2022.

²⁹ TACIR staff calculation based on Tennessee Comptroller of the Treasury 2021. The calculations of 6.4% reflects that personal property is, on average, located in jurisdictions with higher property tax rates when compared to real property (2.18 versus 2.04), and that equalization factors vary across counties.

- 2.1% of local governments' general revenue from own sources (tax revenue plus charges and miscellaneous general revenue),
- 1.4% of local governments' general revenue (general revenue from own sources plus intergovernmental revenue from the federal and state governments), and
- 1.0% of local governments' total revenue (general revenue plus utility revenue and employee retirement revenue).³⁰

In addition to the data from the Census of Governments, TACIR staff calculated alternative estimates using data from the Tennessee Comptroller of the Treasury. There are concerns regarding consistency across local government audit data because cities' and some counties' data do not follow a uniform chart of accounts. But the data do allow for an estimate of personal property tax revenue for individual local governments in Tennessee, showing that personal property tax revenues represent about 3.3% of counties', and 2.8% of cities', total tax revenues and 1.8% and 2.4%, respectively, of their governmental revenue from taxes and other sources (but excluding business-type activities).³¹ But these percentages are averages; in the case of some local governments, personal property taxes can make up a much larger portion of revenue. See appendixes B through E.

Both personal property tax assessments and revenue vary across counties and cities.

Not every city has a property tax, but those that do may rely more heavily on personal property taxes than counties do. This may be attributable to the fact that personal property is more concentrated in cities than it is in unincorporated parts of counties. For both personal property assessments as a percentage of total property assessments and for estimated personal property tax revenue as a percentage of total property tax revenue, counties and cities with less population vary more than do more populous counties and cities. Otherwise, population does not make a clear difference. On a statewide basis, 6.5% of property assessments were for personal property (unadjusted).

Counties

For counties, personal property assessments were 6.5% of total property assessments overall but ranged from 1.6% (Bledsoe County) to 28.6% (Moore County).³² Although the

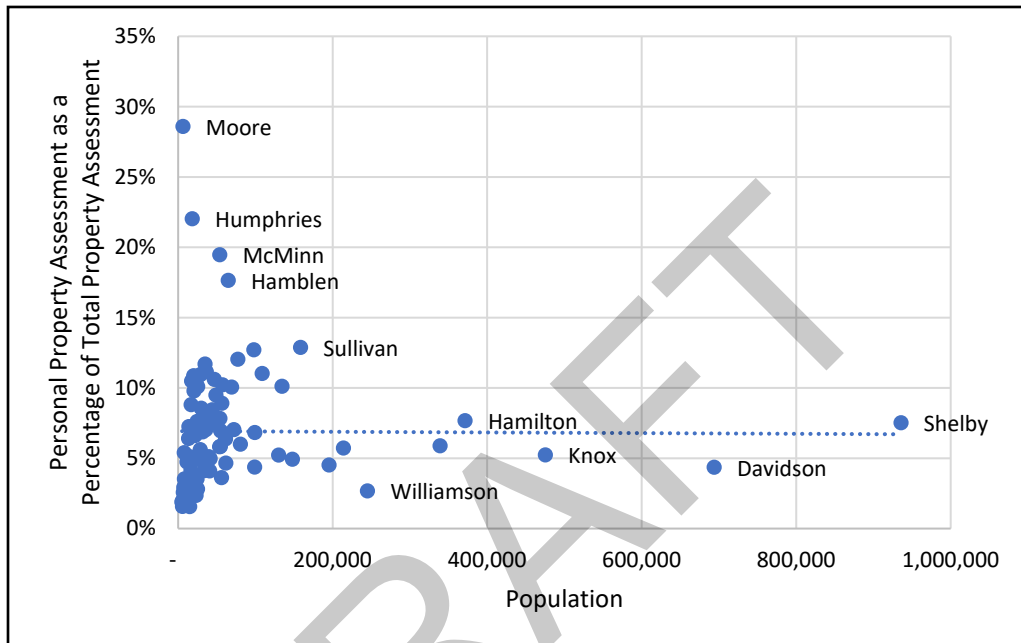
³⁰ TACIR staff analysis of US Census 2022 and Tennessee Comptroller of the Treasury 2021.

³¹ These tax revenues include state-shared taxes, unlike the Census of Governments data, which does not separate state-shared taxes from other intergovernmental transfers. See appendixes C and E for individual counties' and cities' percentages.

³² Because all personal property in the state is in a county, the statewide percentage is also 6.5%.

percentages for less populous counties vary more widely than for more populous counties, there is no clear linear relationship between population and personal property assessment as a percentage of total assessment. See figure 3 and appendix B.

Figure 3. Counties’ Population and Personal Property Assessment as a Percentage of Total Property Assessment 2020



Source: TACIR staff calculations based on Tennessee Comptroller of the Treasury 2021 and US Census 2022.

All 95 counties in Tennessee have a property tax, and the Tennessee Constitution requires that one tax rate apply to both real and personal property within a jurisdiction (i.e. the rate for real property applies to personal property as well).³³ Counties’ estimated personal property tax revenue totaled \$304.9 million in 2020.³⁴ As a percentage of total tax revenue, counties ranged from 0.7% (Lewis County) to 20.5% (Moore County).³⁵ See appendix C.

³³ The Tennessee Constitution, Article II, Section 28, states, in part, that “each respective taxing authority shall apply the same tax rate to all property within its jurisdiction.”

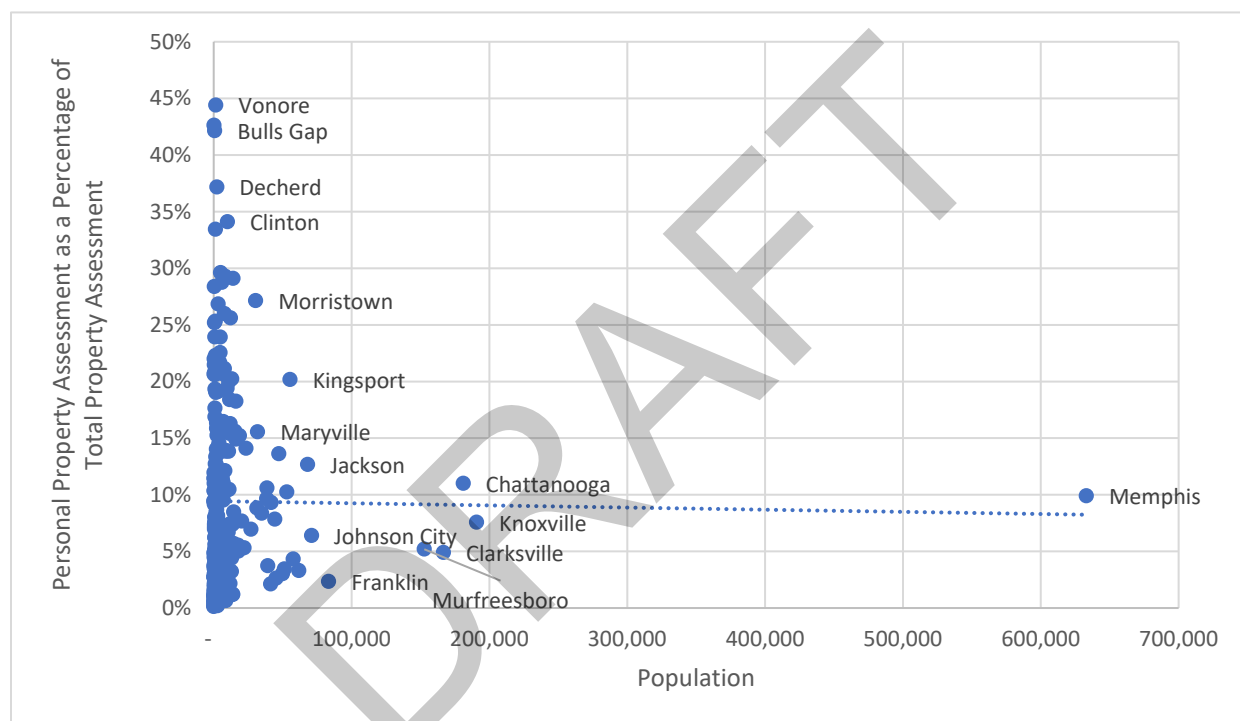
³⁴ TACIR staff analysis of Tennessee Comptroller of the Treasury 2021. Governmental revenue includes taxes, grants, intergovernmental revenue, charges, and other revenue of governmental funds such as the general fund. It does not include revenue from business-type activities such as revenue from public utilities.

³⁵ Moore County is home to Jack Daniel’s Distillery.

Cities

As with counties, there's no clear linear relationship between city population and personal property assessment as a percentage of total assessment. Also, like counties, less populous cities vary widely, but the most populous cities tend to be closer to the average. Personal property assessments are one-third or more of total assessments for six cities. See figure 4.

Figure 4. Cities' Population and Personal Property Assessment as a Percentage of Total Property Assessment 2020



Source: TACIR staff calculations based on Tennessee Comptroller of the Treasury 2021 and US Census 2022.

Of Tennessee's 345 cities, 271 had an estimated \$138.2 million in personal property tax revenue in 2020, which represented 2.8% of total tax revenue and 2.4% of total governmental revenue.³⁶ As a percentage of total tax revenue, cities ranged from 0.03% (Cottage Grove) to 21.6% (Bulls Gap). Bulls Gap has a single large manufacturer.³⁷ Although Vonore had greater personal property assessments than Bulls Gap, it generated less personal

³⁶ TACIR staff analysis of Tennessee Comptroller of the Treasury 2021 and cities' annual financial reports. See also appendix E for individual cities.

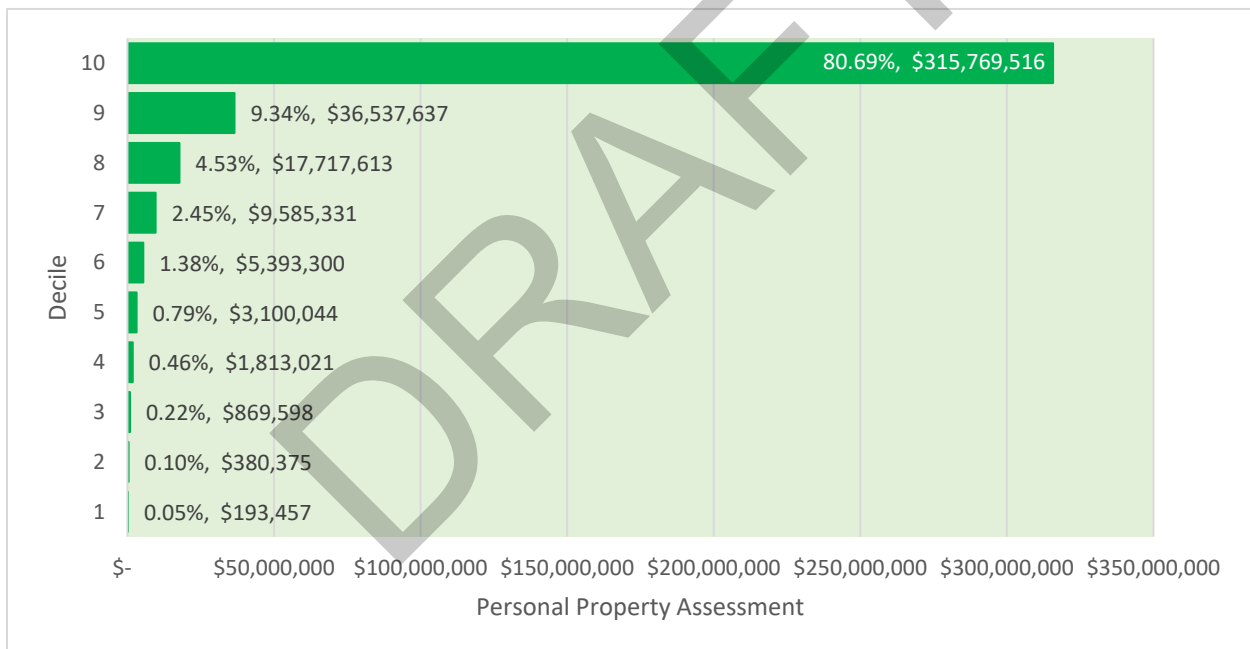
³⁷ TACIR staff analysis of data provided in email from Ryan Duggin, assistant director, Tennessee Comptroller of the Treasury, February 15, 2022.

property tax revenue because of its lower tax rate (0.3504 versus 0.72). Vonore is located on the Little Tennessee River and has a lot of businesses with personal property related to boating.³⁸

Personal property account values vary across businesses.

If cities and counties show skewed distributions for personal property, something similar could be said for businesses themselves. The size of personal property accounts—that is, the assessed value of personal property—is enormously uneven, with 81% of all assessed value being accounted for by just the top 10% of accounts. More than half of accounts in Tennessee, in fact, have less than \$10,000 in property.³⁹ Figure 5 shows the proportion and amount of the \$446.7 million in total property assessments that comes from each decile of businesses, with the greatest share by far coming from the top decile alone.

Figure 5. Assessed Value of Personal Property Accounts, Grouped by Deciles 2020



Source: TACIR staff analysis of data provided in email from Ryan Duggin, assistant director, Tennessee Comptroller of the Treasury, February 15, 2022.

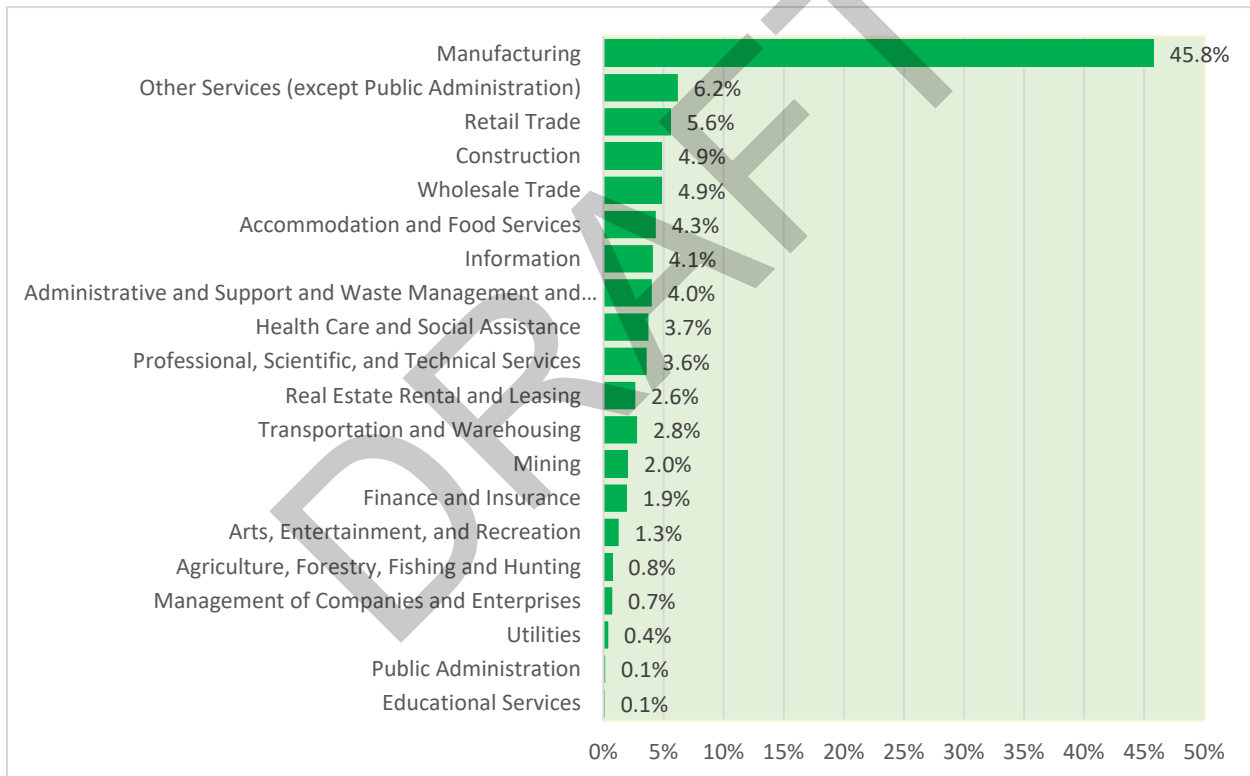
³⁸ TACIR staff analysis of data provided in email from Ryan Duggin, assistant director, Tennessee Comptroller of the Treasury, February 15, 2022.

³⁹ TACIR staff analysis of data provided in email from Ryan Duggin, assistant director, Tennessee Comptroller of the Treasury, February 15, 2022.

Note: The maximum account values for each decile are as follows: 1: \$1,000; 2: \$1,700; 3: \$3,470; 4: \$6,200; 5: \$9,193; 6: \$15,583; 7: \$28,850; 8: \$58,879; 9: \$155,266; 10: \$1,028,700,897.

Moreover, personal property is not evenly distributed across types of industry. Many service businesses may be able to operate with relatively little in the way of personal property, but goods-producing businesses such as manufacturing require factory equipment, conveyor systems, vehicles, and raw materials that amount to substantial assessed value. And while manufacturing firms together made up 15.0% of Tennessee’s GDP in 2020,⁴⁰ they were also responsible for a combined 45.8% of personal property assessments.⁴¹ Figure 6 provides a further breakdown of the share of total property assessments in the state for different industries.

Figure 6. Percent of Tennessee Personal Property Tax Assessments by Industry 2020



Source: TACIR staff analysis of data provided in email from Ryan Duggin, assistant director, Tennessee Comptroller of the Treasury, February 15, 2022.

⁴⁰ Bureau of Economic Analysis 2021.

⁴¹ TACIR staff analysis of data provided in email from Ryan Duggin, assistant director, Tennessee Comptroller of the Treasury, February 15, 2022.

The personal property tax system in Tennessee today is the outcome of decades of legal challenges and compromises.

Property tax law in the state goes back two centuries and has changed repeatedly in that time. So-called intangible personal property (which includes such things as stock options) was taxed until it was replaced by the Hall income tax in 1929,⁴² and business inventory was taxed as personal property until 1971, when it was excluded (and the business tax introduced to replace the lost revenue from it).⁴³ The current state of affairs, however, largely stems from a constitutional amendment and a chain of statutes and case law that arose as a consequence of it. In part, this legal history can be read as a recurring dispute over equity and uniformity—essentially, one class of taxpayers or another would challenge the state, arguing that they were overtaxed relative to some other group, which then resulted in regulatory adjustments and legal settlements. Current personal property tax administration in the state is thus the outcome of a series of such compromises over the last several decades.

In 1972, the state ratified a constitutional amendment that changed how personal property taxes operated, creating the basis for the law that stands today. This amendment fixed in place certain elements of the personal property tax, namely the three overarching classes and their respective assessment ratios: public utility property (55%), industrial and commercial (30%), and other tangible personal property (5%).

The personal property of private households in Tennessee was taxable under the third class, just as it had been in the past, and in principle it still is. But a statute adopted just a few years later in 1977 specifies that “all other tangible personal property [that is, non-business property] shall be deemed to have no value.”⁴⁴ As such, private individuals do not pay personal property taxes in Tennessee today. This statute was subsequently challenged in the case of *Sherwood Co. v. Clary* under the argument that it violated the constitution, but the Tennessee Supreme Court upheld the statute and said that “the General Assembly was not constitutionally required to attempt to administer and maintain an impractical system of taxation, and it was given very broad discretion with respect to determining the value and definition of property in each of the authorized classifications or subclassifications.”⁴⁵ In other words, “Tennessee law does conclusively relieve all personal

⁴² Green, Chervin, and Lippard 2002.

⁴³ Tennessee Code Annotated, Section 67-4-701 et seq. See also Article II, Section 28, of Tennessee’s state constitution: “The Legislature may levy a gross receipts tax on merchants and businesses in lieu of ad valorem taxes on the inventories of merchandise held by such merchants and businesses for sale or exchange.”

⁴⁴ Tennessee Code Annotated, Section 67-5-901(3)(A); and Public Chapter 337, Acts of 1977.

⁴⁵ *Sherwood Co. v. Clary*, 734 S.W.2d 318 (Tenn. 1987).

property from ad valorem taxation in this State, *unless it is commercial, industrial, or public utility property*” (emphasis added).⁴⁶ It should be emphasized, however, that the reasoning of *Sherwood* does not extend from household to commercial personal property. The constitution already had a built-in exemption of \$7,500 for household personal property (though it grants no such exemption to commercial property), and with that in place it was “impractical” to collect taxes on the remainder of household personal property.⁴⁷ And while the General Assembly has some leeway to set the value of particular types of property or equipment,⁴⁸ stakeholders have expressed skepticism that the *Sherwood* argument could be made for commercial personal property taxes as a whole,⁴⁹ and courts might be dubious of a law asserting that millions of dollars of property at a large manufacturer, for example, could be blithely construed as having “no value.”⁵⁰

Additional challenges to the personal property tax occurred over the following decades. In 1987, the Tennessee State Board of Equalization studied personal property taxes and found a lack of standardization across the 95 counties. With that finding, railroad and airline companies sued the state, arguing that the lack of uniformity was unfair to them. To answer that challenge and bring more coherence to assessments, the Tennessee Comptroller of the Treasury then formulated a set of standardized depreciation schedules that divided personal property into 10 categories and were to be used statewide. These were then codified into law in 1991.⁵¹

Yet that very same attempt at standardization led to more lawsuits. Dr. Fox, a researcher at the University of Tennessee, found that the revised assessments led to about a 15%

⁴⁶ Tennessee Attorney General, Opinion No. 00-062.

⁴⁷ *Sherwood Co. v. Clary*, 734 S.W.2d 318 (Tenn. 1987).

⁴⁸ For instance, Tennessee Code Annotated, Section 67-5-601, currently declares that, for the purposes of property taxes specifically, the value of wind power utility equipment cannot exceed one-third of its original installed cost, while for solar power equipment the value cannot exceed 12.5% of the cost. These provisions are meant to account for the variability in wind and solar power production as compared to conventional fossil fuel power generation, which, it is assumed, affects the market value of the equipment and thus its value as personal property.

⁴⁹ Videoconference interview with Bobby Lee, tax attorney, February 23, 2022; and email from Bob Rochelle, delinquent tax attorney of Wilson County, April 4, 2022.

⁵⁰ Videoconference interview with Mary Ellen Knack, senior assistant attorney general in the Tax Division of the Tennessee Attorney General's Office, April 19, 2022.

⁵¹ Videoconference interview with Bobby Lee, tax attorney, February 23, 2022; and videoconference with Ken Morrell and other Comptroller of the Treasury staff, February 7, 2022.

decrease in assessed values.⁵² This in turn led to a lawsuit from airline companies, who argued that because their assessments did not also see a decrease (they are centrally assessed and subject to a different process), they were not being treated equitably. In the case of *Northwest Airlines et al. v. Tennessee State Board of Equalization*, a settlement was eventually reached in which the State Board of Equalization agreed to a 15% reduction in the personal property tax assessments of airlines and federally protected utilities.⁵³ The settlement was to remain in place “so long as Tennessee Code Annotated, Section 67-5-903(f) [pertaining to the personal property tax depreciation schedules] is not amended or superseded by legislative action or unless the Board determines, after an appropriate rule-making or declaratory proceeding allowing public comment, that the depreciation schedules reflect fair market value.”⁵⁴ In other words, the airlines reserved the right to bring equalization claims if the 15% equalization factor or the statutory depreciation schedules were changed. They also agreed that the State Board of Equalization would require all counties to perform randomized audits, thereby entitling them to an equalization ratio.⁵⁵ Following the settlement, another case expanded the 15% equalization factor to all centrally assessed businesses (e.g. telecommunications, railroads, and public utilities).⁵⁶

As these cases show, a key criterion for personal property taxation has been uniformity and equitable treatment. Understanding of the uniformity standard has evolved over time (for example, until the early 19th century uniformity was taken to mean that one paid the same amount of tax for the same amount of real property—market rates were not taken into account),⁵⁷ but in its modern interpretation it means that tax laws and enforcement must apply evenly to all taxpayers. Today, the state constitution says, “each respective taxing authority shall apply the same tax rate to all property within its jurisdiction,” so that all taxpayers are treated equitably, without any class or group being singled out for differential treatment.⁵⁸ As assessors and trustees repeatedly stressed to

⁵² Videoconference interview with Bobby Lee, tax attorney, February 23, 2022

⁵³ Order Approving Settlement and Retaining Jurisdiction to Enforce the Settlement Agreement, *Northwest Airlines et al. v. State Board of Equalization* (1996).

⁵⁴ Order Approving Settlement and Retaining Jurisdiction to Enforce the Settlement Agreement, *Northwest Airlines et al. v. State Board of Equalization* (1996).

⁵⁵ Order Approving Settlement and Retaining Jurisdiction to Enforce the Settlement Agreement, *Northwest Airlines et al. v. State Board of Equalization* (1996).

⁵⁶ See *In re All Assessments, Review of Ad Valorem Assessments of Pub. Util. Cos. for Tax Year 1998*, 2000 Tenn. LEXIS 649.

⁵⁷ Videoconference interview with Will Denami, executive director, Tennessee Association of Assessing Officers, March 2, 2022.

⁵⁸ Tennessee Constitution, Article II, Section 28. But assessment ratios vary as noted above.

TACIR staff, they are required to pursue all delinquent tax accounts, regardless of how small the amounts involved might be, because to overlook some delinquencies while pursuing others would not be equitable.⁵⁹ This requirement for uniformity is further emphasized by federal law: the Railroad Revitalization and Regulatory Reform Act of 1976, also known as the “4R law,” is a federal law that prohibits state and local governments from discriminatory property tax practices, including “(1) over-evaluation; (2) collection of an unlawful tax; (3) collection of any ad valorem property tax at a higher tax rate than the tax rate generally applicable to commercial and industrial property in the taxing district; or (4) the imposition of a discriminatory in-lieu tax.”⁶⁰ This law has often been cited in cases involving centrally assessed property, such as *Northwest Airlines et al. v. Tennessee State Board of Equalization*.

Personal property taxes can impose burdens on both businesses and local governments.

Although the personal property tax does contribute to local government revenues needed for vital services and may even offset some of the costs that businesses impose on those same services,⁶¹ it also generates its own peculiar burdens for both businesses and local governments.

Burdens on Local Governments

From the point of view of local governments, there are a number of challenges in administering the tax. Even when the process works as intended, it can be laborious, with assessor’s office staff in many counties needing to expend considerable time opening

⁵⁹ Videoconference interview with Will Denami, executive director, Tennessee Association of Assessing Officers, March 2, 2022; videoconference interview with Tipton County officials Mary Gaither, county clerk, Virginia Gray, collections agent, Rose Cousar, assessor, and Kristie Maxwell, trustee, March 15, 2022; videoconference interview with Thomas King, Assessor of Property, Sevier County, and Joann Watts, chief deputy of personal property, Sevier County, May 11, 2022; videoconference interview with Erinne Hester, assessor, and Derek Flanigan, chief deputy assessor, Montgomery County, May 4, 2022; and videoconference interview with Melvin Burgess, assessor of property, and Barbara Palmer, deputy administrator of property, Shelby County, May 25, 2022.

⁶⁰ Congressional Research Service 1975. Railroad Revitalization and Regulatory Reform Act of 1976., 90 Stat. 31.

⁶¹ Videoconference interview with Stephanie O’Hara, legal consultant, University of Tennessee, Municipal Technical Advisory Service, and Doug Gordon, staff attorney, Law Department of the City of Knoxville, March 28, 2022.

mailed filings and logging the reported information; it may require more staff or even contracting for outside assistance.⁶²

But there are also issues with compliance. Although personal property ostensibly should be self-assessed and reported, 40% of accounts must be forced, with local assessors taking on the task of imputing an assessment for non-compliant businesses.⁶³ Assessors are also obliged to carry out audits. One of the conditions of the 1996 settlement in *Northwest Airlines et al. v. Tennessee State Board of Equalization* is that in order to qualify for an equalization ratio from the State Board of Equalization, local assessors must conduct audits of personal property accounts.⁶⁴ This, too, can be time-consuming, with one assessor saying, “I bet we spend more than we ever recoup.”⁶⁵

Local governments therefore do have several means at their disposal for trying to enforce compliance including audits, forced assessments, and, in the case of unpaid taxes, measures including garnishments, liens, distressed warrants, and lawsuits.⁶⁶ But even so, some stakeholders feel that more penalties would improve compliance,⁶⁷ and some have suggested additional measures, like withholding business license renewals for businesses that do not pay their personal property taxes.⁶⁸

Personal property also has more delinquencies than real property, and a disproportionate number of those accounts are quite small. Williamson County, for example, has about seven times as many real property parcels as it has personal property accounts, yet

⁶² Videoconference interview with Gabe Looney and Joe Griffin, property assessment consultants, University of Tennessee, County Technical Services Association, February 11, 2022; and videoconference interview with Chip Cooke, chief executive officer, Tax Management Associates, February 22, 2022.

⁶³ TACIR staff analysis of data provided in email from Ryan Duggin, assistant director, Tennessee Comptroller of the Treasury, February 15, 2022.

⁶⁴ Order Approving Settlement and Retaining Jurisdiction to Enforce the Settlement Agreement, *Northwest Airlines et al. v. State Board of Equalization* (1996).

⁶⁵ Videoconference interview with Erinne Hester, assessor, and Derek Flanigan, chief deputy assessor, Montgomery County, May 4, 2022.

⁶⁶ Videoconference interview with Stephen Austin, legal consultant, University of Tennessee, County Technical Assistance Services, February 23, 2022.

⁶⁷ Videoconference interview with Stephanie O’Hara, legal consultant, University of Tennessee, Municipal Technical Advisory Service, and Doug Gordon, staff attorney, Law Department of the City of Knoxville, March 28, 2022; interview with Charles Curtiss, executive director, Tennessee County Commissioners Association, March 22, 2022.

⁶⁸ TACIR survey of Tennessee county trustees.

personal property accounts still comprised about half of all delinquencies. Meanwhile, just among personal property accounts, 27% were delinquent in 2021, and of those, the same percentage owed \$10 or less.⁶⁹ Stakeholders from other counties likewise reported frustrations with the need to pursue small accounts for collection. In a TACIR survey of county trustees, one respondent from a small county said it felt “foolish” to have to send out repeated tax bills and delinquency notices, and then turn to the sheriff with a distress warrant, to try to collect on bills of just \$2 to \$10. Another noted that their office might “send multiple bills in an attempt to collect a past due bill and spend more than the bill itself, especially [for] the \$1 to \$5 tax amounts.” Another, from a large county, speculated that between time, resources, and printing and postage of bills, they might spend more trying to collect on tax bills for \$20 or less than was actually owed.⁷⁰

One particular problem with delinquencies, however, is that many may stem not from a refusal to pay but from a simple lack of communication and timely information. When businesses register for a license to operate, they do so through the Tennessee Department of Revenue. A county clerk will have access to that information and may share it with assessors and trustees so that they can maintain tax rolls of those who might owe personal property taxes. However, assessors and trustees are not generally notified of business closings and so might not know when to remove a business from the tax rolls.⁷¹

More than one stakeholder gave an example of something like a lawnmowing business, which, as happens with many very small businesses, might not stay in operation for very long. The business owner would have little personal property to declare, so their tax bill would be low to start with, but more to the point, they might not formally wind down the business or know to give notice to the county clerk or assessor when they shut down. In that case the local government, unaware that the business was no longer operating, would not know to take them off the tax rolls and would count them as delinquent, possibly for years. And as the business would not have an office or official location, but perhaps just a post office box, it would be hard to track them down.⁷² The same might apply if the business owner were to later move, perhaps even out of state. In the absence

⁶⁹ Videoconference interview with Karen Paris, trustee, Williamson County, March 16, 2022.

⁷⁰ TACIR survey of Tennessee county trustees.

⁷¹ Videoconference interview with Cody Goins, deputy assessor, Washington County, May 5, 2022; and videoconference interview with Marty Haynes, assessor of property, Hamilton County, May 5, 2022.

⁷² Videoconference interview with Gabe Looney and Joe Griffin, property assessment consultants, University of Tennessee, County Technical Services Association, February 11, 2022; and videoconference interview with Will Denami, executive director, Tennessee Association of Assessing Officers, March 2, 2022.

of reliable and up-to-date information on which businesses are in operation, local governments can be left having to pursue some business owners for taxes they otherwise might not owe.

Burdens on Businesses

From the perspective of businesses, on the other hand, there are many other complaints about personal property taxes. To begin with, there are critiques of the very concept of the tax: Some stakeholders argue that the personal property tax amounts to double taxation, pointing out that sales tax is paid on property when it is first purchased.⁷³ Others note that the franchise tax, which is based on the net worth of a business, also captures the value of personal property.⁷⁴ Still others have suggested that the tax discourages capital investment and suppresses manufacturing business in general, since it is levied on physical assets,⁷⁵ and some have speculated that this also makes local governments vulnerable to shifts in the nature of business—a turn towards more remote office work and service-oriented business might mean less personal property available to tax.⁷⁶

Then there are critiques of the technical aspects of the tax, such as the depreciation schedules. As noted earlier, personal property is classified into 10 different groups on the assessment form, each of which depreciates at its own rate (that is, the tax assumes that the value of a given item gradually declines over time because of age and use). Some stakeholders thought that the depreciation schedules were prone to undervalue property, while others argued that they overvalued it.⁷⁷ For personal property assessments, items are generally only allowed to depreciate to 20% of their original purchase value, but one said this was still too much, and that many items of equipment might be so aged or obsolete that they could never be plausibly sold for 20% of their original value, even as scrap. One stakeholder cited a case of a feed mill business, where he reasoned that some

⁷³ Videoconference interview with Jim Brown, Tennessee state director, National Federation of Independent Business, February 3, 2022.

⁷⁴ Tennessee Code Annotated, Section 67-4-2108.

⁷⁵ Videoconference interview with Shanel Loveless, business owner, Loves Produce and Nursery, March 1, 2022; and videoconference interview with Howard Ember, vice president of finance and CFO, Tootsie Roll Industries, April 6, 2022.

⁷⁶ Videoconference interview with Kevin McAdams, CPA and shareholder, Elliott Davis LLC, March 23, 2022.

⁷⁷ Interview with Bob Rochelle, delinquent tax attorney, Wilson County, March 15, 2022; and videoconference interview with Larry Hyatt, CPA, April 19, 2022.

of the large equipment, now 40 years old but still in use, would cost more to be cut apart by a welder and removed than it could be sold for.⁷⁸

Much more frequently, however, there are complaints about the complexity, laboriousness, and ambiguity of the tax's administration. Businesses interviewed by TACIR staff reported spending anywhere from combined totals of three hours (for a small business with one location) to 20 hours (for a small business with several locations, two employees working 10 hours each) to six days (for a medium-sized business) on assessments of their property,⁷⁹ making it "probably the most burdensome" tax to file.⁸⁰ Businesses may keep records of the property they acquire, but smaller items, like office supplies, can be quickly used up and disposed of. Many businesses therefore must delegate one or more employees to physically locate every item in the records and verify that it is still in the business's possession. Small items are not limited just to office supplies, though. One construction company noted that it had hundreds of employees and two dozen work crews on different sites around the state. For them, a generator was a minor item, bought by a work crew on location as needed and worn out relatively quickly, making it difficult for the central office to track.⁸¹ Businesses complained that while they might otherwise track certain larger or higher-value items for insurance and federal tax purposes, there were many lower-value or short-lived items that they were obliged to keep records of solely for the sake of personal property taxes.⁸²

Businesses also express apprehension over the ambiguities in how personal property can be classified. One of the fundamental challenges in the administration of the personal property tax is that it covers a vast and open-ended range of assets and materials. It encompasses everything from paper clips to centrifuges, printer ink to lighting fixtures, paintings hanging in an office to conveyor belts in a factory. The law must therefore try

⁷⁸ Videoconference interview with Larry Hyatt, CPA, April 19, 2022.

⁷⁹ Videoconference interview with Shanel Loveless, business owner, Loves Produce and Nursery, March 1, 2022; videoconference interview with David Berggren, chief executive officer and president, Furniture Connection, March 16, 2022; and videoconference interview with Daniel Sohn, vice president of finance and operations, Vireo Systems, March 4, 2022.

⁸⁰ Videoconference interview with Shanel Loveless, business owner, Loves Produce and Nursery, March 1, 2022.

⁸¹ Videoconference interview with David Kidd, office controller, Jay-Ton Construction, March 25, 2022.

⁸² Videoconference interview with Kevin McAdams, CPA and shareholder, Elliott Davis LLC, March 23, 2022; videoconference interview with Daniel Sohn, vice president of finance and operations, Vireo Systems, March 4, 2022; and videoconference interview with David Kidd, office controller, Jay-Ton Construction, March 25, 2022.

to grapple with limitless variations among different types of property, accounting for different values, uses, and even almost philosophical questions about the nature of objects and materials.

For instance, if a small business owner brings a few hand tools from home to make some minor repairs at their workplace, should these be counted as business property?⁸³ Or what about a truck that had been purchased for personal use but that a plumber or contractor might drive while on the job—does that then count as a business vehicle?⁸⁴ Moreover, what if some of the items that are used in the business were acquired before the business started and no longer have records for their original value—again, such as hand tools or other small items borrowed from the business owner’s home or gifted from someone else?⁸⁵ How should small office items be counted: must every single pen and pencil in an office really be accounted for and have a value assigned to it? “The big burden is the smaller stuff,” as one business representative put it.⁸⁶ Others expressed doubts about the 10 separate classifications on the assessment form and which one various items of property should be assigned to. For example, should a tractor be counted as a vehicle (in which case it falls into “Group 9” on the form) or as equipment (“Group 1”)?⁸⁷ While local assessors may have ready answers for such questions, the uncertainty they raise for businesses can nevertheless cause consternation.

There are other gray areas. Inventory (that is, the actual products of a business) is not counted as personal property, but the raw materials used in creating a product are.⁸⁸ Thus, a printer’s stock of finished and printed materials in a warehouse is not property, but the stock paper kept on hand before it is sent through the presses is.⁸⁹ The dividing

⁸³ Videoconference interview with Shanel Loveless, business owner, Loves Produce and Nursery, March 1, 2022; and videoconference interview with Tipton County officials Mary Gaither, county clerk, Virginia Gray, collections agent, Rose Cousar, assessor, and Kristie Maxwell, trustee, March 15, 2022.

⁸⁴ Videoconference interview with Tipton County officials Mary Gaither, county clerk, Virginia Gray, collections agent, Rose Cousar, assessor, and Kristie Maxwell, trustee, March 15, 2022; and interview with Bob Rochelle, delinquent tax attorney, Wilson County, March 15, 2022.

⁸⁵ Videoconference interview with Erinne Hester, assessor, and Derek Flanigan, chief deputy assessor, Montgomery County, May 4, 2022.

⁸⁶ Videoconference interview with David Kidd, office controller, Jay-Ton Construction, March 25, 2022.

⁸⁷ Videoconference interview with Shanel Loveless, business owner, Loves Produce and Nursery, March 1, 2022.

⁸⁸ Tennessee Code Annotated, Section 67-5-901.

⁸⁹ Videoconference interview with Tipton County officials Mary Gaither, county clerk, Virginia Gray, collections agent, Rose Cousar, assessor, and Kristie Maxwell, trustee, March 15, 2022.

line between supplies and inventory can be unclear, though. One case arose several years ago with a whiskey manufacturer: for many years, they had not counted the barrels that they aged their whiskey in as personal property, assuming them to be part of the finished (or in-the-process-of-finishing) product. An assessor eventually disagreed, insisting the barrels were part of the manufacturing process and not part of the product, leading to a legal dispute.⁹⁰

Construction firms may be allowed to discount raw materials if they are earmarked for a particular job, but one business owner complained that this line between raw materials and inventory created additional cost and uncertainty for his business. He pointed out that costs of materials like copper pipe can fluctuate, making it sensible to buy them when they are cheapest and warehouse them for later use, which is what some of his colleagues in other states are able to do. But he said the property tax in Tennessee discourages him from doing the same, and he is left to buy supplies only for immediate use, exposing him to the risk of price fluctuations that in turn complicate his planning and budgeting.⁹¹

Similarly, there can be ambiguity around what counts as personal property versus real property, as there are items that might usually be thought of as part of a building, like light fixtures or some shelving units, but are in fact supposed to be counted as personal property. The distinction turns on whether the item in question can be removed without destroying the integrity of the property,⁹² although that can be hard to judge. One stakeholder recounted a case of a shipping company that had a disagreement with an assessor over whether a conveyor belt system was part of their real property or personal property, given that the system would have to be dismantled to be removed from the building.⁹³

Stakeholders have offered a multitude of options for reforming the personal property tax.

As described earlier, the way in which the personal property tax is administered is somewhat circumscribed by constitutional and case law, limiting the options for how it

⁹⁰ Interview with David Connor, executive director, Tennessee County Services Association, March 3, 2022; and videoconference interview with Gabe Looney and Joe Griffin, property assessment consultants, University of Tennessee, County Technical Services Association, February 11, 2022.

⁹¹ Videoconference interview with Garry Floeter, business owner, CHC Mechanical Contractors, April 20, 2022.

⁹² Tennessee Code Annotated, Section 67-5-501(2).

⁹³ Videoconference interview with Gabe Looney and Joe Griffin, property assessment consultants, University of Tennessee, County Technical Services Association, February 11, 2022.

might be modified. Because Article II, Section 28, of the Tennessee Constitution clearly stipulates what overarching classes of personal property are to be assessed and at which rates, stakeholders have generally agreed that elimination of the tax or sweeping exemptions for entire classes is not possible without a constitutional amendment. There are, however, other options that stakeholders have put forward that could be undertaken without a constitutional amendment.

Revenue Replacement Models

Because some local governments rely more heavily on personal property tax revenues than others, because the mix of businesses varies between jurisdictions, and because each tax has its own distinct tax base, replacing personal property tax revenue with revenues from some other tax would likely involve shifting tax burdens from one set of taxpayers to another. While eliminating the personal property tax would result in some businesses paying more in other taxes—because businesses may claim a business tax credit of up to 50% of personal property taxes paid—any decrease in personal property taxes would leave local governments with less net revenue, and local governments would likely look to the state to replace the lost revenue to help ensure that local governments can meet their funding obligations (e.g. bonds and school funding). If the state were to take any action that reduces local governments’ personal property tax revenue, then the options for replacing the revenue fall into three broad categories:

- increasing tax revenue from other taxes that businesses pay (e.g. franchise and excise tax, business tax, or sales tax);
- decreasing tax credits (e.g. business tax credits mentioned above, which totaled \$66.9 million in 2020) or tax incentives for businesses (e.g. \$36.1 million in personal property tax revenue was effectively abated through payment-in-lieu-of-tax agreements in 2020);
- allocating some state revenue (e.g. from the General Fund) to local governments.

There is precedent for this, of course. As described earlier, both the Hall income tax and the business tax were introduced to compensate for changes to personal property taxation that removed part of the tax base. Other states like Illinois, Virginia, and Iowa have also replaced personal property tax revenues to one extent or another. Illinois created a personal property tax replacement fund, “a special fund in the State Treasury into which shall be paid all revenue realized” from an additional income tax, invested capital taxes,

and a telecommunications infrastructure maintenance fee.⁹⁴ More commonly, though, states replace local revenue with state revenue. In Virginia, “counties, cities, and towns shall be reimbursed by the Commonwealth for providing the required tangible personal property tax relief.”⁹⁵ Without the replacement revenue, local governments may look to other revenue sources. Iowa abolished its personal property tax in 1995⁹⁶ and made appropriations from the State General Fund into a personal property tax replacement fund until 2003 when the fund was abolished.⁹⁷ According to Iowa’s Legislative Services Agency, “the withdrawal of this State support likely contributed to the property tax rate increases” that averaged 3% per year from fiscal year 2001-02 through fiscal year 2007-08.⁹⁸

Replacing personal property tax revenues with those of some other tax would be complicated by differences in their sets of taxpayers. The business tax, for instance, applies only to those who have a business license, but ironically, not all businesses have one. Physicians, lawyers, veterinarians, and some others operate on the basis of professional licenses and generally do not have to register for a business license and therefore do not owe business tax.⁹⁹ In much the same way, the state franchise and excise taxes apply only to corporate entities, not to sole proprietorships, general partnerships, or certain family-owned non-corporate entities.¹⁰⁰ Sales and real property taxes are mostly paid by individuals, not businesses.¹⁰¹ Because of the differences in these tax bases, relying on other taxes to replace personal property tax revenue could be inequitable for businesses or individuals that end up paying more in taxes. And as noted earlier, personal property taxes tend to fall more on certain types of capital-intensive businesses, like manufacturers.

⁹⁴ 30 Illinois Compiled Statutes, Section 115/12.

⁹⁵ Virginia Code Annotated, Section 58.1-3524(A).

⁹⁶ 95 Acts, Chapter 67, Section 33 (Iowa).

⁹⁷ Iowa Code, Section 427A.12 and 2003 Acts, Chapter 178, Section 11 (Iowa).

⁹⁸ Iowa Legislative Services Agency 2019.

⁹⁹ Tennessee Code Annotated, Section 67-4-708. Videoconference interview with Tipton County officials Mary Gaither, county clerk, Virginia Gray, collections agent, Rose Cousar, assessor, and Kristie Maxwell, trustee, March 15, 2022.

¹⁰⁰ Tennessee Department of Revenue 2022a.

¹⁰¹ Tennessee Comptroller of the Treasury 2021; and Council on State Taxation 2021.

Certification Tiers

As noted above, the smallest of businesses do have an option to check a box on the assessment form certifying that they have no more than \$1,000 in personal property (subject to audit) and that they will pay the tax at that level of assessed value.

In lieu of detailing acquisition cost on the reporting schedule, the taxpayer may certify that the depreciated value of tangible personal property otherwise reportable on the form is one thousand dollars (\$1,000) or less. The assessor shall accept the certification, subject to audit, and fix the value of tangible personal property assessable to the taxpayer pursuant to the schedule, at one thousand dollars (\$1,000).¹⁰²

Doing so allows them to forgo the task of a full itemization of assets. It is optional, and businesses can decide for themselves whether a complete itemization is worth their time. Although the question has been raised as to whether the provision is constitutional,¹⁰³ it may withstand a challenge because the tax is still being paid—it is not an exemption.¹⁰⁴ At present, however, only about 12.8% of businesses in the state are small enough to avail themselves of the option (see table 1 reposted), and representatives for businesses were open to adding one or more tiers at greater dollar amounts.¹⁰⁵ But again, large numbers of businesses have only a small amount of property, with just over half of all businesses in the state having less than \$10,000 in assessed value (above that point the number of accounts at different levels tapers off quickly). Simply raising the threshold value might be counterproductive, however, if some businesses currently using the certification option decided the increase did not fairly reflect their own property value, amounting to an overpayment, and they should return to using a full itemization. Alternatively, adding one or more tiered options at values greater than \$1,000 could give a plurality of businesses in the state a means of expediting their assessments.

¹⁰² Tennessee Code Annotated, Section 67-5-903(b).

¹⁰³ Interview with Carl Hartley, head of tax committee, Tennessee Chamber of Commerce, and attorney, Baker Donelson, on June 28, 2022.

¹⁰⁴ Tennessee Code Annotated, Section 67-5-903(b).

¹⁰⁵ Interview with Bradley Jackson, president and CEO, and Ryan King, vice-president of government affairs, Tennessee Chamber of Commerce, February 14, 2022. Tennessee Code Annotated, Section 67-5-903(b).

**Table 1 (reposted). Number and Percent of Personal Property Tax Accounts That Fall Below Various Value Thresholds
2020**

Value Threshold	Number of Accounts	Percent of All Accounts
\$ 1,000	33,247	12.8%
\$ 2,000	58,011	22.4%
\$ 3,000	72,478	28.0%
\$ 4,000	83,658	32.3%
\$ 5,000	93,746	36.2%
\$ 6,000	102,052	39.4%
\$ 7,000	108,949	42.1%
\$ 8,000	123,642	47.8%
\$ 9,000	128,663	49.7%
\$ 10,000	134,080	51.8%
\$ 20,000	166,714	64.4%
\$ 30,000	182,860	70.6%
\$ 40,000	194,009	75.0%
\$ 50,000	201,989	78.0%
\$ 1,000,000,000	258,841	100.0%

Source: TACIR staff analysis of data provided in email from Ryan Duggin, assistant director, Tennessee Comptroller of the Treasury, February 15, 2022.

Care would need to be taken when setting additional thresholds, however, because businesses that choose to certify can only increase their tax bill, and the amount they might overpay increases at greater thresholds. For example, a \$10,000 certification option might be more appealing to a business with \$9,000 in personal property than a business with \$2,000. Also, at thresholds greater than \$10,000, the number of additional accounts that would be eligible to certify diminishes quickly.

Transition to Electronic Filing

About two-thirds of Tennessee’s counties still only use paper filings. Of the rest, five counties have developed or contracted for their own e-filing systems (with another two planning to implement such systems starting from next year), while 24 others use the

Tennessee Comptroller of the Treasury’s computer-assisted mass appraisal system known as IMPACT.¹⁰⁶ This system is freely available for the use of all counties, but some counties may not see the need to transition to a new system, particularly if the value of reported property is low.¹⁰⁷ But counties that have adopted e-filing, such as Davidson and Shelby, do report improved efficiency and even better compliance.¹⁰⁸ As the Assessor of Property for Davidson County observes, e-filing saves on postage costs and may also spare county assessors the labor of manual processing.¹⁰⁹ With businesses filing by mail, it may take weeks for the assessor’s office to open thousands of envelopes and then enter the reported data manually into the records system. For example, without its e-filing system, the Davidson County assessor’s office might require twice as many staff as it now employs.¹¹⁰ E-filing may also be welcomed by many businesses,¹¹¹ and could reduce some of the risks of miscommunication, such as by providing confirmation of the filing’s receipt.¹¹²

Rather than making each county assessor decide whether or not to adopt e-filing as is the case in Tennessee, some states provide e-filing at the state level for all filings in the state. For example, the Department of Revenue of Alabama is required to

develop, maintain, and administer an online business personal property tax filing system that allows any taxpayer required to file a business personal property tax return with any county assessing official or applicable agency

¹⁰⁶ Email correspondence with Bryan Kinsey, director, Comptroller of the Treasury, Division of Property Assessments, August 3, 2022; and email correspondence with Ryan Duggin, assistant director, Comptroller of the Treasury, Division of Property Assessments, September 12, 2022.

¹⁰⁷ Videoconference interview with Gabe Looney and Joe Griffin, property assessment consultants, University of Tennessee, County Technical Services Association, February 11, 2022.

¹⁰⁸ Davidson County Assessor of Property 2018; videoconference interview with Melvin Burgess, assessor of property, and Barbara Palmer, deputy administrator of property, Shelby County, May 25, 2022; telephone interview with Barbara Palmer, deputy administrator of property, Shelby County, August 1, 2022; and videoconference interview with Marty Haynes, assessor of property, Hamilton County, May 5, 2022.

¹⁰⁹ Davidson County Assessor of Property 2018.

¹¹⁰ Videoconference interview with Gabe Looney and Joe Griffin, property assessment consultants, University of Tennessee, County Technical Services Association, February 11, 2022.

¹¹¹ Interview with Bradley Jackson, president and CEO, and Ryan King, vice-president of government affairs, Tennessee Chamber of Commerce, February 14, 2022.

¹¹² Videoconference interview with Gabe Looney and Joe Griffin, property assessment consultants, University of Tennessee, County Technical Services Association, February 11, 2022.

the ability and option to electronically file the return through the electronic filing system which will be submitted to the county assessing official or applicable agency where the tax return is required to be filed. The system shall be optional for any taxpayer and shall be known as the Optional Personal Property Assessment Link or OPPAL.¹¹³

Because it's optional, not all businesses use the system, but the percentage is increasing. According to the Alabama Department of Revenue, 31% of returns were filed in OPPAL in 2021, an increase from 28% in 2019.¹¹⁴ Maryland also offers e-filing.¹¹⁵

Compliance Enforcement

One proposal for encouraging compliance is that business license renewals be withheld from those who have not paid their personal property taxes. A pilot version of this concept for a single county was considered in 2015 but not enacted.¹¹⁶ Some states have implemented it, though, such as Indiana and Virginia.¹¹⁷ Similarly, some states withhold vehicle registrations or driver licenses from taxpayers that have not paid personal property taxes for their vehicles.¹¹⁸ Minnesota even goes as far as placing a lien against real property when personal property taxes are not paid.¹¹⁹ Another idea is to require businesses to pre-pay some of their personal property taxes. The deposited amount could then be used to cover any outstanding liabilities when businesses are shuttered.¹²⁰ Tennessee authorizes, but does not require, county trustees to accept pre-payment of

¹¹³ Code of Alabama, Section 40-7-56(a). Section 40-7-56(b) states, "There shall be no charge to either the taxpayer or a local taxing jurisdiction for the utilization or access of the OPPAL system."

¹¹⁴ Alabama Department of Revenue 2021.

¹¹⁵ Maryland Business Express 2022.

¹¹⁶ Senate Bill 476 by Senator Bell and House Bill 407 by Representative Howell, 109th General Assembly.

¹¹⁷ Burns Indiana Code Annotated 25-1-1-1; and Virginia Code Annotated 58.1-3700.

¹¹⁸ Connecticut General Statutes, Section 14-33; Kansas Statutes Annotated, Section, 8-136(c); Kansas Statutes Annotated, Section 8-173(a) and (a)(1); Missouri Annotated Statutes, Section 301.025; South Carolina Code Annotated, Section 12-37-2740(A); South Carolina Code Annotated, Section 56-2-2740(A); Virginia Code Annotated, Section 46.2-752(C); and West Virginia Code, Section 17A-3-3a(a) and (a)(1).

¹¹⁹ Minnesota Statutes, Section 277.20.

¹²⁰ Videoconference interview with Will Denami, executive director, Tennessee Association of Assessing Officers, March 2, 2022.

property taxes “for the current tax year prior to the date the tax rate is established for the current tax year.”¹²¹

There are other means to encourage compliance, however. Many newer businesses only first learn of the personal property tax when they receive notice in January and do not understand either what the tax is or how to perform the assessment.¹²² When a new business is established, it registers with the Tennessee Department of Revenue’s Tennessee Taxpayer Access Point (TNTAP) system to pay state-collected taxes, and new business owners may be under the impression that that system handles all of the taxes they must pay;¹²³ however, local governments administer property taxes, not the Department of Revenue, and although the Department of Revenue does provide some information about personal property taxes on its website,¹²⁴ it could be easy for new businesses to overlook.

Information Sharing

Tennessee’s business tax was enacted in 1971 to replace revenue foregone when business merchandise inventories were exempted from personal property taxes, and up to 50% of business taxes owed can be offset with a credit for personal property taxes paid. Business tax rates vary according to how the business is classified using the Standard Industrial Classification (SIC) system. In 1997, a new system, the North American Industrial Classification System was created to replace SIC; however, Tennessee’s business tax continues to use SIC.¹²⁵ In contrast, personal property tax account data use NAICS.¹²⁶ Although the NAICS Association provides crosswalks between NAICS and SIC on its website, comparisons between the two can be difficult because, for example, SIC does not include many products and services that have emerged since its last update in 1987. NAICS is updated periodically, most recently in 2017. State law authorizes and directs the Tennessee Department of Revenue to share business classification information with

¹²¹ Tennessee Code Annotated, Section 67-5-1808.

¹²² Videoconference interview with Jim Brown, state director, National Federation of Independent Business, February 3, 2022; and interview with David Connor, executive director, Tennessee County Services Association, March 3, 2022.

¹²³ Jim Brown, panelist, TACIR Commission meeting on June 16, 2022.

¹²⁴ Tennessee Department of Revenue 2022b.

¹²⁵ Tennessee Code Annotated, Sections 67-4-708 and 712 and Tennessee Department of Revenue 2022c.

¹²⁶ TACIR staff analysis of data provided in email from Ryan Duggin, assistant director, Tennessee Comptroller of the Treasury, February 15, 2022.

local governments,¹²⁷ but at the moment, linking records between databases is not entirely straightforward because of the differences between NAICS and SIC.

Moving the Filing Date

To better align with other state and federal tax filing obligations and allow taxpayers more time to file their personal property taxes, some tax preparers have requested that the state move the filing deadline from March 1 to April 15.¹²⁸ This would allow tax compliance professionals and businesses more time to assemble needed information for tax filing.¹²⁹ A change in the date could, however, delay counties setting their certified tax rate for property taxes.¹³⁰ And although taxpayers already may amend personal property tax returns that are timely filed up for to 18 months after the March 1 deadline, the amendment process itself would take additional time and money to complete.¹³¹

Other states have developed measures for alleviating some of the burdens associated with personal property taxation.

States differ considerably in how they approach personal property taxation. At present, seven states do not have a personal property tax in any form. Of the other 43 states that do, 20 (including Tennessee itself) do not offer any notable exceptions or exemptions from the tax, although it is common to have narrowly targeted exemptions for the property of governmental, educational, religious, or scientific institutions. Five other states exempt businesses from local assessments (though there may still be centralized or state-level assessments). The remaining 18 states, however, do offer exemptions of some kind that would be relevant for businesses. There are many different ways that exemptions can be constructed, applying to different types of personal property over different timeframes and based on different valuation methods, with many nuanced distinctions between them. An exhaustive list is not possible here, but what follows is a summary of three major types of exemptions.

Twelve states (Alaska, California, Colorado, Georgia, Indiana, Massachusetts, Michigan, Nevada, Oregon, Texas, Utah, and Washington) provide exemptions to small accounts that fall below a certain value threshold (i.e. the exemptions do not apply to accounts

¹²⁷ Tennessee Code Annotated, Section 67-5-401.

¹²⁸ Videoconference interview with Tennessee Society of Certified Public Accountants on July 27, 2022.

¹²⁹ Ibid.

¹³⁰ Phone interview with Barbara Palmer on August 1, 2022.

¹³¹ Will Denami, panelist, TACIR Commission meeting on June 16, 2022.

above the threshold; see appendix H).¹³² In the case of Alaska, the exemption is applied at the discretion of the local government, but in other states, the exemption is active statewide. The thresholds in most of these cases are based on the total value of an account and range from \$500 in Washington state to \$80,000 in the case of Indiana and Michigan. In several cases, like Colorado, the threshold amount has been increased over the course of several years and then indexed to inflation. Nevada, meanwhile, has a somewhat different system. Each year, the state government surveys county assessors on the costs they incur in administering the personal property tax, and based on that feedback, the state calculates a certain minimum for tax bills, typically in the range of about \$10.¹³³ Accounts with tax bills that fall under that threshold do not have to pay (although they will still need to file an assessment), and local governments do not have to collect on them.¹³⁴

Five states (Alabama, Arizona, Florida, Idaho, and Montana) have enacted exemptions up to a certain amount regardless of the overall size of an account. For small accounts, this might eliminate their tax obligation completely, while for larger accounts it gives them a kind of discount. Alabama is the most recent addition to this list; its exemption will only come into effect in 2023.¹³⁵ The thresholds applied in Arizona, Idaho, and Montana are among the highest thresholds of any state at \$200,000, \$250,000, and \$300,000, respectively.¹³⁶

Finally, three states (Idaho, Kansas, and Utah) currently exempt individual items that have a value below some threshold. In Idaho, items with an acquisition cost of \$3,000 or less are exempt, while the same applies in Kansas for equipment purchased for \$1,500 or less. Utah exempts items at \$500, provided they are “not critical” to the operation of the business.¹³⁷ See map and appendix H.

¹³² See also Watson 2019.

¹³³ Videoconference interview with Shannon Silva, supervisor of locally assessed properties, Nevada Department of Taxation, April 18, 2022. See, for example, the Nevada Tax Commission’s decision on March 31, 2020, to set the amount at \$10 (In the Matter of: Approval of Exemptions as Authorized Under 361.068(2) Where Administrative Costs Exceed Revenue from Tax on Personal Property for Application Fiscal Year 2020-2021).

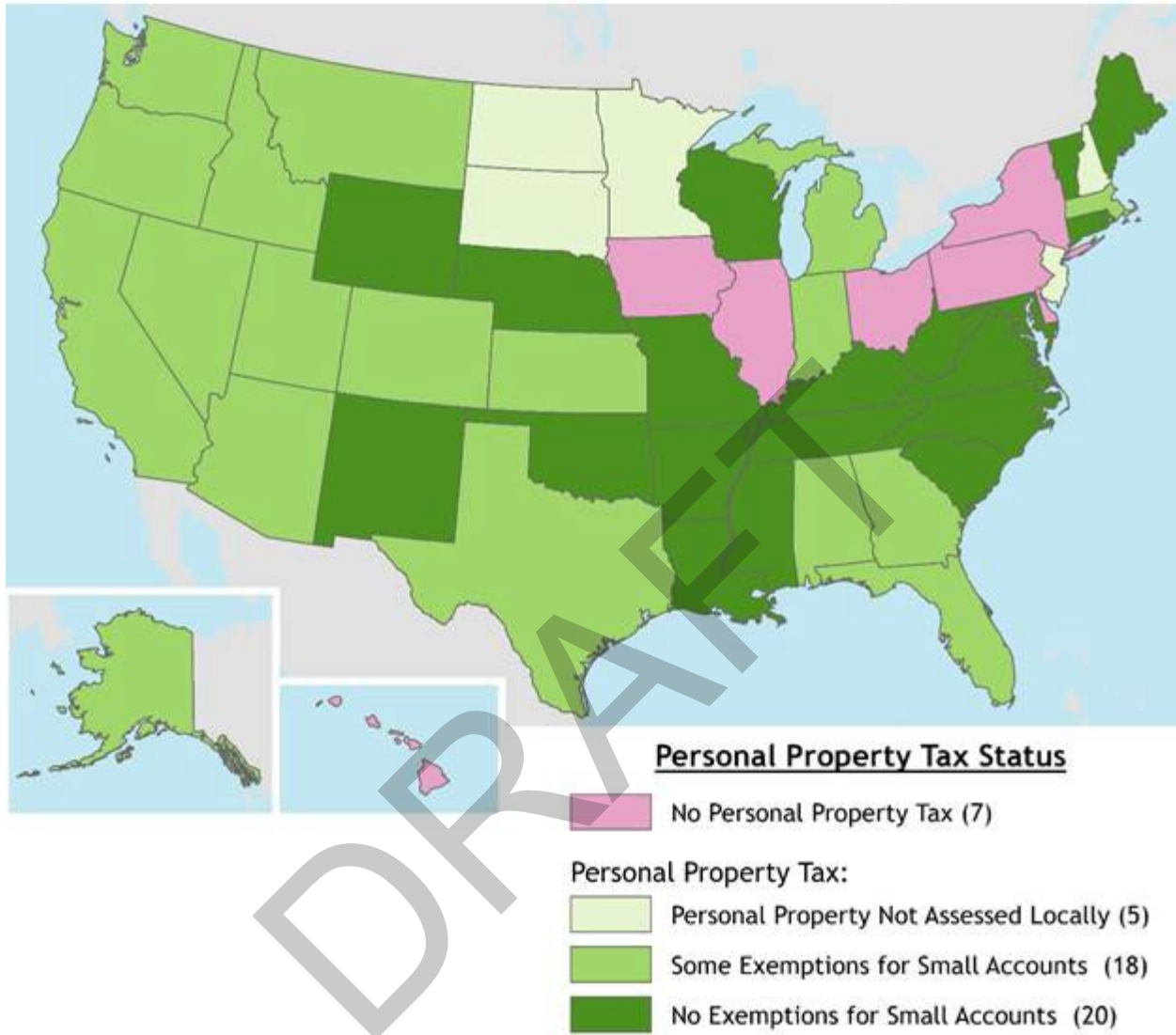
¹³⁴ Nevada Revised Statutes 361.068(2).

¹³⁵ Alabama Act No. 2022-53 (Small Business Relief and Revitalization Act).

¹³⁶ Montana sets thresholds that are less than \$300,000 for select categories of property.

¹³⁷ Utah Code Annotated, Section 59-2-1115.

Map. Status of Personal Property Tax by State



Source: TACIR staff review of states' laws.

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Persons Contacted

Nathan Abbott, Senior Information
Systems Specialist
Division of Local Government Audit
Tennessee Comptroller of the Treasury

Rodney Archer, Executive Director
County Officials Association of
Tennessee

Stephen Austin, Legal Consultant
University of Tennessee, County
Technical Assistance Service

Mason Barrick, Certified Public
Accountant
LBMC Nashville

David Berggren, CEO and President
Furniture Connection

Ronda Boulton, Senior Specialist
Division of Property Assessments
Tennessee Comptroller of the Treasury

Donna Bowman, Accounting Manager
CHC Mechanical Contractors

Jim Brown, State Director
National Federation of Independent
Businesses

Jeff Bjarke, Director of Research
Tennessee Department of Revenue

Melvin Burgess, Assessor of Property
Shelby County

Angie Carrier, Municipal Management
and Finance Program Manager
University of Tennessee, Municipal
Technical Advisory Service

Ryan Cavanah, National Sales
Tax Management Associates

Brad Coleman, Assessor of Property
Williamson County

David Connor, Executive Director
Tennessee County Services Association

Chip Cooke, Chief Executive Officer
Tax Management Associates

Rose Cousar, Assessor of Property
Tipton County

Charles Curtiss, Executive Director
Tennessee County Commissioners
Association

Will Denami, Executive Director
Tennessee Association of Assessing
Officers

Pat Dodson, Assistant Director,
Office of State Assessed Properties
Tennessee Comptroller of the Treasury

Ryan Duggin, Assistant Director
Division of Property Assessments
Tennessee Comptroller of the Treasury

Howard Ember, Vice President of
Finance and CFO
Tootsie Roll Industries

Kara Fitzgerald, President and CEO
Tennessee Society of Certified Public
Accountants

Derek Flanigan, Chief Deputy Assessor
Montgomery County

Garry Floeter, President
CHC Mechanical Contractors

David Frizzell, Certified Public
Accountant
David Frizzell CPA PC

Janelle Fritts, Policy Analyst
Tax Foundation

Mary Gaither, County Clerk
Tipton County

Erica Gilmore, Trustee
Davidson County

Cody Goins, Deputy Assessor
Washington County

Doug Gordon, Staff Attorney
Law Department of the City of
Knoxville

Virginia Gray, Collections Agent
Tipton County

Joe Griffin, Property Assessment
Consultant
University of Tennessee, County
Technical Assistance Service

Eugene Hampton, Financial Officer
Davidson County

Brad Harris, Finance and Accounting
Consultant
University of Tennessee, Municipal
Technical Advisory Service

Carl Hartley, Attorney
Baker Donelson

Marty Haynes, Assessor of Property
Hamilton County

Logan Hess, Legislative Director
Tennessee Department of Revenue

Erinne Hester, Assessor of Property
Montgomery County

Randy Hilliard, Tax Audit Supervisor
Tennessee Department of Revenue

Larry Hyatt, Certified Public
Accountant
The Hyatt Company of Tennessee

Bradley Jackson, President and CEO
Tennessee Chamber of Commerce

Chad Jenkins, Deputy Director
Tennessee Municipal League

Kelsie Jones, Attorney
Jones Law Office PLLC

Trey Judd, Certified Public Accountant
Judd and Associates

David Kidd, Office Controller
Jay-Ton Construction

Ryan King, Vice-President of
Government Affairs
Tennessee Chamber of Commerce

Thomas King, Assessor of Property
Sevier County

Bryan Kinsey, Director
Division of Property Assessments
Tennessee Comptroller of the Treasury

Mary Ellen Knack, Senior Assistant
Attorney General
Tax Division
Tennessee Attorney General's Office

Betsy Knotts, Director
Division of Local Government Finance
Tennessee Comptroller of the Treasury

Kevin Krushenski, Research Analyst
Tennessee Municipal League

Bobby Lee, Attorney
Lee Law Firm

Gabe Looney, Property Assessment
Consultant
University of Tennessee, County
Technical Assistance Service

Kirk Low, Certified Public Accountant
Kirk Low, CPA

Shanel Loveless, Owner
Loves Produce and Nursery, LLC

Amanda McGraw, Chief Financial
Officer
Tennessee Department of Revenue

Robbie McGuire, Chief Deputy Assessor
Washington County

Linda Mangrum, Personal Property
Appraiser
Williamson County

Kristie Maxwell, Trustee
Tipton County

Kevin McAdams, Certified Public
Accountant
Elliot Davis LLC

Greg Moody, Director
Office of State Assessed Properties
Tennessee Comptroller of the Treasury

Ken Morrell, Manager
Division of Property Assessments
Tennessee Comptroller of the Treasury

Stephanie O'Hara, Legal Consultant
University of Tennessee, Municipal
Technical Advisory Service

Barbara Palmer, Deputy Administrator
of Property
Shelby County

Karen Paris, Trustee
Williamson County

Robin Pope, Executive Secretary
Tennessee State Board of Equalization

John Ricketts, Tax Audit Supervisor
Tennessee Department of Revenue

Bob Rochelle, Delinquent Tax Attorney,
Wilson County

Shannon Silva, Supervisor of Locally
Assessed Properties
Nevada Department of Taxation

Daniel Sohn, Vice President of Finance
and Operations
Vireo Systems

Rick Storey, Trustee
Washington County

Joann Watts, Chief Deputy of Personal
Property
Sevier County

Wes Weigel, Delinquent Tax Attorney
Williamson County

Rob Whitfield, Attorney
Greer, Greer and Whitfield, Attorneys,
PLLC

Bill Yost, Attorney
Yost and Robertson PLC

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Appendix A: Tennessee Constitution, Article II, Section 28

In accordance with the following provisions, all property real, personal or mixed shall be subject to taxation, but the Legislature may except such as may be held by the State, by Counties, Cities or Towns, and used exclusively for public or corporation purposes, and such as may be held and used for purposes purely religious, charitable, scientific, literary or educational, and shall except the direct product of the soil in the hands of the producer, and his immediate vendee, and the entire amount of money deposited in an individual's personal or family checking or savings accounts. For purposes of taxation, property shall be classified into three classes, to wit: Real Property, Tangible Personal Property and Intangible Personal Property.

Real Property shall be classified into four (4) subclassifications and assessed as follows:

- (a) Public Utility Property, to be assessed at fifty-five (55%) percent of its value;
- (b) Industrial and Commercial Property, to be assessed at forty (40%) percent of its value;
- (c) Residential Property, to be assessed at twenty-five (25%) percent of its value, provided that residential property containing two (2) or more rental units is hereby defined as industrial and commercial property; and
- (d) Farm Property, to be assessed at twenty-five (25%) percent of its value.

House trailers, mobile homes, and all other similar movable structures used for commercial, industrial, or residential purposes shall be assessed as Real Property as an improvement to the land where located.

The Legislature shall provide, in such manner as it deems appropriate, tax relief to elderly low-income taxpayers through payments by the State to reimburse all or part of the taxes paid by such persons on owner-occupied residential property, but such reimbursement shall not be an obligation imposed, directly or indirectly, upon Counties, Cities, or Towns.

By general law, the Legislature may authorize the following program of tax relief:

- (a) The legislative body of any county or municipality may provide by resolution or ordinance that:
 - (1) Any taxpayer who is sixty-five (65) years of age or older and who owns residential property as the taxpayer's principal place of residence shall pay taxes on such property

in an amount not to exceed the maximum amount of tax on such property imposed at the time the ordinance or resolution is adopted;

(2) Any taxpayer who reaches the age of sixty-five (65) after the time the ordinance or resolution is adopted, who owns residential property as the taxpayer's principal place of residence shall thereafter pay taxes on such property in an amount not to exceed the maximum amount of tax on such property imposed in the tax year in which such taxpayer reaches age sixty-five (65); and

(3) Any taxpayer who is sixty-five (65) years of age or older who purchases residential property as the taxpayer's principal place of residence after the taxpayer's sixty-fifth birthday shall pay taxes in an amount not to exceed the maximum amount of tax imposed on such property in the tax year in which such property is purchased.

(b) Whenever the full market value of such property is increased as a result of improvements to such property after the time the ordinance or resolution is adopted, then the assessed value of such property shall be adjusted to include such increased value and the taxes shall also be increased proportionally with the value.

(c) Any taxpayer or taxpayers who own residential property as their principal place of residence whose total or combined annual income, or wealth exceeds an amount to be determined by the general assembly shall not be eligible to receive the tax relief provided in subsection (a) or (b).

The Legislature may provide tax relief to home owners totally and permanently disabled, irrespective of age, as provided herein for the elderly.

Tangible Personal Property shall be classified into three (3) subclassifications and assessed as follows:

(a) Public Utility Property, to be assessed at fifty-five (55%) percent of its value;

(b) Industrial and Commercial Property, to be assessed at thirty (30%) percent of its value; and

(c) All other Tangible Personal Property, to be assessed at five (5%) percent of its value; provided, however, that the Legislature shall exempt Seven Thousand Five Hundred (\$7,500) Dollars worth of such Tangible Personal Property which shall cover personal household goods and furnishings, wearing apparel and other such tangible property in the hands of a taxpayer.

The Legislature shall have power to classify Intangible Personal Property into subclassifications and to establish a ratio of assessment to value in each class or subclass, and shall provide fair and equitable methods of apportionment of the value of same to this State for purposes of taxation. Banks, Insurance Companies, Loan and Investment Companies, Savings and Loan Associations, and all similar financial institutions, shall be assessed and taxed in such manner as the Legislature shall direct; provided that for the year 1973, or until such time as the Legislature may provide otherwise, the ratio of assessment to value of property presently taxed shall remain the same as provided by law for the year 1972; provided further that the taxes imposed upon such financial institutions, and paid by them, shall be in lieu of all taxes on the redeemable or cash value of all of their outstanding shares of capital stock, policies of insurance, customer savings and checking accounts, certificates of deposit, and certificates of investment, by whatever name called, including other intangible corporate property of such financial institutions.

The ratio of assessment to value of property in each class or subclass shall be equal and uniform throughout the State, the value and definition of property in each class or subclass to be ascertained in such manner as the Legislature shall direct. Each respective taxing authority shall apply the same tax rate to all property within its jurisdiction.

The Legislature shall have power to tax merchants, peddlers, and privileges, in such manner as they may from time to time direct, and the Legislature may levy a gross receipts tax on merchants and businesses in lieu of ad valorem taxes on the inventories of merchandise held by such merchants and businesses for sale or exchange. The portion of a Merchant's Capital used in the purchase of merchandise sold by him to non-residents and sent beyond the State, shall not be taxed at a rate higher than the ad valorem tax on property. The Legislature shall have power to levy a tax upon incomes derived from stocks and bonds that are not taxed ad valorem.

Notwithstanding the authority to tax privileges or any other authority set forth in this Constitution, the Legislature shall not levy, authorize or otherwise permit any state or local tax upon payroll or earned personal income or any state or local tax measured by payroll or earned personal income; however, nothing contained herein shall be construed as prohibiting any tax in effect on January 1, 2011, or adjustment of the rate of such tax.

This amendment shall take effect on the first day of January, 1973.

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Appendix B: Counties' Personal Property Tax Assessments and Revenues 2020

County	County Property Tax Rate	Property Assessment	Personal Property Assessment	Percent	Estimated Personal Property Tax Revenue*
Anderson	2.6289	\$ 1,986,717,600	\$ 239,090,786	12.0%	\$ 6,285,458
Bedford	2.66	958,764,475	71,330,778	7.4%	1,343,548
Benton	2.73	295,664,290	15,045,790	5.1%	410,750
Bledsoe	2.386	224,590,093	3,493,438	1.6%	74,260
Blount	2.47	4,142,969,998	418,846,363	10.1%	10,345,505
Bradley	1.7821	2,436,456,025	268,497,315	11.0%	4,170,989
Campbell	2.0659	866,437,065	44,246,145	5.1%	914,081
Cannon	2.46	279,699,020	7,041,846	2.5%	149,740
Carroll	1.4131	447,384,550	23,565,404	5.3%	333,003
Carter	2.47	885,514,796	31,958,477	3.6%	656,207
Cheatham	2.4766	1,114,750,053	45,657,567	4.1%	1,130,755
Chester	2.4861	254,306,386	17,187,167	6.8%	403,533
Claiborne	2.5777	552,026,427	40,899,293	7.4%	939,768
Clay	3.1	133,069,830	3,891,946	2.9%	120,831
Cocke	2.565	662,576,971	46,542,911	7.0%	1,193,826
Coffee	2.9324	1,220,381,009	124,572,773	10.2%	3,123,291
Crockett	2.64	257,231,475	18,622,451	7.2%	470,542
Cumberland	1.5653	1,611,658,510	102,582,623	6.4%	1,462,656
Davidson	3.788	34,004,981,024	1,481,981,267	4.4%	47,587,717
Decatur	2.58	270,664,549	12,809,679	4.7%	330,490
DeKalb	2.1235	505,099,179	49,405,327	9.8%	857,238
Dickson	2.35	1,485,699,186	116,201,640	7.8%	2,730,739
Dyer	2.37	792,916,835	88,334,338	11.1%	2,093,524
Fayette	1.5074	1,172,507,174	58,183,256	5.0%	784,525
Fentress	1.91	348,721,683	9,762,970	2.8%	175,564
Franklin	2.8786	1,061,821,388	87,998,240	8.3%	2,254,221
Gibson	1.0322	880,094,901	83,480,445	9.5%	861,685
Giles	2.8247	630,405,668	69,059,395	11.0%	1,724,437
Grainger	2.8	390,365,092	9,186,213	2.4%	230,412
Greene	2.0145	1,391,184,414	139,897,062	10.1%	2,406,202
Grundy	2.2131	264,640,802	6,675,572	2.5%	147,737
Hamblen	1.97	1,675,448,047	295,473,288	17.6%	5,820,824
Hamilton	2.7652	10,765,723,745	824,839,660	7.7%	20,513,935
Hancock	2.22	104,020,058	2,111,827	2.0%	46,212
Hardeman	2.55	392,058,887	29,815,715	7.6%	706,091
Hardin	2.06	748,926,114	75,500,191	10.1%	1,438,656
Hawkins	2.5323	1,125,099,180	100,104,264	8.9%	2,275,362
Haywood	2.7563	439,976,374	38,733,505	8.8%	1,067,612
Henderson	2.1806	461,787,226	33,615,048	7.3%	673,050
Henry	1.8933	727,849,515	49,944,189	6.9%	945,593
Hickman	2.8	428,858,374	12,050,681	2.8%	310,426
Houston	2.7989	156,342,170	5,508,116	3.5%	154,167

County	County Property Tax Rate	Property Assessment	Personal Property Assessment	Percent	Estimated Personal Property Tax Revenue*
Humphreys	2.18	597,997,559	131,664,421	22.0%	2,870,284
Jackson	2.79	182,053,017	4,265,353	2.3%	104,306
Jefferson	2.19	1,368,013,304	94,898,383	6.9%	2,078,275
Johnson	2.05	320,176,956	12,667,876	4.0%	233,021
Knox	2.12	13,358,848,887	697,903,931	5.2%	12,981,627
Lake	2.85	101,574,631	2,606,619	2.6%	74,289
Lauderdale	2.9541	369,273,895	39,781,873	10.8%	1,047,100
Lawrence	2.9589	673,842,965	56,869,663	8.4%	1,542,546
Lewis	1.8838	236,183,359	4,473,470	1.9%	84,271
Lincoln	2.102	741,209,916	30,529,987	4.1%	641,740
Loudon	1.8035	1,898,787,472	110,754,100	5.8%	1,807,493
McMinn	1.5469	1,344,599,790	261,731,207	19.5%	286,489
McNairy	2.0464	445,966,922	30,806,334	6.9%	6,515,530
Macon	2.4	402,319,876	14,148,453	3.5%	790,265
Madison	2.35	2,394,465,817	304,142,826	12.7%	1,914,930
Marion	2.1686	724,859,296	40,612,132	5.6%	3,536,468
Marshall	2.8117	710,262,483	83,055,828	11.7%	3,515,908
Maury	2.2364	2,659,940,245	181,302,679	6.8%	609,680
Meigs	1.9813	255,093,450	7,599,557	3.0%	134,564
Monroe	2.2396	1,175,425,941	124,548,436	10.6%	2,585,483
Montgomery	2.99	4,845,032,582	277,153,116	5.7%	8,286,878
Moore	2.38	365,686,639	104,511,517	28.6%	2,193,864
Morgan	3.27	291,820,525	8,357,144	2.9%	238,545
Obion	1.9	653,678,584	55,901,600	8.6%	974,080
Overton	1.9706	431,808,387	28,852,065	6.7%	568,559
Perry	2.48	196,191,287	10,576,165	5.4%	240,676
Pickett	2.41	144,423,739	2,717,891	1.9%	61,388
Polk	2.512	331,955,864	13,739,449	4.1%	318,145
Putnam	2.926	1,748,817,482	104,855,323	6.0%	2,584,233
Rhea	2.2548	742,256,898	55,227,421	7.4%	1,245,268
Roane	2.4709	1,437,777,555	83,562,705	5.8%	2,064,751
Robertson	2.5759	1,844,011,352	129,622,482	7.0%	2,855,800
Rutherford	2.2194	10,121,973,450	594,758,913	5.9%	11,692,630
Scott	2.4639	343,541,619	22,688,414	6.6%	527,603
Sequatchie	2.4422	328,794,033	11,940,084	3.6%	263,315
Sevier	1.86	3,993,142,530	174,431,534	4.4%	2,359,023
Shelby	4.05	20,559,394,698	1,544,559,070	7.5%	55,098,129
Smith	2.73	428,134,327	46,469,756	10.9%	1,113,852
Stewart	2.5488	290,914,381	18,611,928	6.4%	432,730
Sullivan	2.57	3,991,923,056	513,902,903	12.9%	11,599,976
Sumner	2.262	6,399,376,939	288,751,104	4.5%	6,531,550
Tipton	2.0392	1,250,918,545	58,169,348	4.7%	1,186,189
Trousdale	2.4388	256,856,298	7,172,104	2.8%	174,913
Unicoi	2.8538	334,534,256	35,076,394	10.5%	837,145
Union	2.1399	355,467,459	11,667,374	3.3%	225,028
Van Buren	2.76	143,456,953	2,244,073	1.6%	54,504
Warren	1.9677	844,865,189	67,417,693	8.0%	1,326,578

County	County Property Tax Rate	Property Assessment	Personal Property Assessment	Percent	Estimated Personal Property Tax Revenue*
Washington	2.15	3,441,645,850	179,593,009	5.2%	3,861,250
Wayne	2.3	319,949,616	15,170,188	4.7%	326,130
Weakley	1.9727	579,247,320	47,545,832	8.2%	874,720
White	2.05	543,701,062	26,618,315	4.9%	545,675
Williamson	2.22	13,585,683,435	361,984,704	2.7%	6,625,732
Wilson	2.5189	4,638,104,724	228,290,974	4.9%	4,549,733
TOTAL	2.4252	\$194,301,372,573	\$12,570,248,681	6.5%	\$ 304,858,022

Source: Tennessee Comptroller of the Treasury 2021 and TACIR staff calculations.

*TACIR staff calculated estimated personal property tax revenue using property tax rates, personal property tax assessments, and equalization factors in Tennessee Comptroller of the Treasury 2021.

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Appendix C: Counties' Personal Property Tax Revenue as a Percentage of Counties' Revenue Bases 2020

County	Estimated Personal Property Tax Revenue*	Total Governmental Revenue	Percent	Tax Revenue, including state-shared taxes	Percent
Anderson	\$ 6,285,458	\$ 183,663,660	3.4%	\$ 99,785,223	6.3%
Bedford	1,343,548	131,012,159	1.0%	49,169,510	2.7%
Benton	410,750	43,780,603	0.9%	19,768,809	2.1%
Bledsoe	74,260	35,210,727	0.2%	9,550,166	0.8%
Blount	10,345,505	318,059,027	3.3%	176,482,725	5.9%
Bradley	4,170,989	189,408,520	2.2%	103,313,039	4.0%
Campbell	914,081	100,657,892	0.9%	35,666,864	2.6%
Cannon	149,740	35,626,251	0.4%	12,306,890	1.2%
Carroll	333,003	32,887,412	1.0%	24,464,317	1.4%
Carter	656,207	104,835,836	0.6%	42,936,676	1.5%
Cheatham	1,130,755	104,696,765	1.1%	45,299,858	2.5%
Chester	403,533	38,801,285	1.0%	13,654,224	3.0%
Claiborne	939,768	83,959,581	1.1%	27,121,593	3.5%
Clay	120,831	23,160,252	0.5%	8,305,779	1.5%
Cocke	1,193,826	85,863,297	1.4%	34,074,319	3.5%
Coffee	3,123,291	126,134,462	2.5%	70,309,764	4.4%
Crockett	470,542	33,218,962	1.4%	12,847,554	3.7%
Cumberland	1,462,656	129,299,773	1.1%	56,373,472	2.6%
Davidson	47,587,717	2,572,555,441	1.8%	1,742,641,656	2.7%
Decatur	330,490	39,053,391	0.8%	12,615,109	2.6%
DeKalb	857,238	51,834,361	1.7%	19,572,481	4.4%
Dickson	2,730,739	162,506,463	1.7%	69,886,876	3.9%
Dyer	2,093,524	75,930,637	2.8%	40,411,627	5.2%
Fayette	784,525	68,604,512	1.1%	35,327,220	2.2%
Fentress	175,564	43,152,678	0.4%	15,152,386	1.2%
Franklin	2,254,221	104,496,846	2.2%	47,384,683	4.8%
Gibson	861,685	58,084,390	1.5%	46,553,701	1.9%
Giles	1,724,437	70,753,995	2.4%	32,819,154	5.3%
Grainger	230,412	53,257,583	0.4%	17,909,424	1.3%
Greene	2,406,202	147,993,315	1.6%	61,565,669	3.9%
Grundy	147,737	35,226,380	0.4%	10,797,213	1.4%
Hamblen	5,820,824	173,158,622	3.4%	67,746,700	8.6%
Hamilton	20,513,935	282,614,157	7.3%	426,227,021	4.8%
Hancock	46,212	25,104,261	0.2%	5,335,763	0.9%
Hardeman	706,091	57,963,272	1.2%	21,245,570	3.3%
Hardin	1,438,656	66,582,667	2.2%	35,412,823	4.1%
Hawkins	2,275,362	116,923,125	1.9%	49,753,903	4.6%
Haywood	1,067,612	52,775,768	2.0%	21,219,213	5.0%
Henderson	673,050	60,414,944	1.1%	24,790,310	2.7%
Henry	945,593	67,599,320	1.4%	35,840,554	2.6%
Hickman	310,426	62,843,367	0.5%	21,339,774	1.5%
Houston	154,167	23,870,477	0.6%	9,164,653	1.7%

County	Estimated Personal Property Tax Revenue*	Total Governmental Revenue	Percent	Tax Revenue, including state-shared taxes	Percent
Humphreys	2,870,284	48,074,965	6.0%	20,795,832	13.8%
Jackson	104,306	27,708,024	0.4%	9,734,375	1.1%
Jefferson	2,078,275	133,038,889	1.6%	55,222,990	3.8%
Johnson	233,021	36,438,329	0.6%	12,314,129	1.9%
Knox	12,981,627	946,467,910	1.4%	503,432,397	2.6%
Lake	74,289	16,545,955	0.4%	6,296,410	1.2%
Lauderdale	1,047,100	64,645,707	1.6%	20,401,663	5.1%
Lawrence	1,542,546	127,978,256	1.2%	39,767,673	3.9%
Lewis	84,271	30,885,491	0.3%	11,896,485	0.7%
Lincoln	641,740	77,685,402	0.8%	32,455,566	2.0%
Loudon	1,807,493	92,227,053	2.0%	55,823,714	3.2%
Macon	286,489	63,272,849	0.5%	20,792,737	1.4%
Madison	6,515,530	234,480,080	2.8%	129,209,063	5.0%
Marion	790,265	71,198,191	1.1%	31,579,674	2.5%
Marshall	1,914,930	93,220,147	2.1%	35,897,546	5.3%
Maury	3,536,468	615,035,163	0.6%	112,746,901	3.1%
McMinn	3,515,908	26,591,502	13.2%	22,605,016	15.6%
McNairy	609,680	62,472,514	1.0%	15,622,577	3.9%
Meigs	134,564	30,017,850	0.4%	9,538,934	1.4%
Monroe	2,585,483	97,224,383	2.7%	44,113,040	5.9%
Montgomery	8,286,878	673,223,600	1.2%	254,168,662	3.3%
Moore	2,193,864	31,217,539	7.0%	10,723,698	20.5%
Morgan	238,545	50,816,753	0.5%	15,358,075	1.6%
Obion	974,080	59,231,523	1.6%	28,925,034	3.4%
Overton	568,559	54,267,356	1.0%	17,617,621	3.2%
Perry	240,676	25,099,387	1.0%	9,664,122	2.5%
Pickett	61,388	16,079,003	0.4%	7,052,177	0.9%
Polk	318,145	38,968,203	0.8%	14,739,913	2.2%
Putnam	2,584,233	239,542,617	1.1%	105,847,911	2.4%
Rhea	1,245,268	78,283,653	1.6%	32,621,639	3.8%
Roane	2,064,751	129,525,211	1.6%	62,824,305	3.3%
Robertson	2,855,800	236,592,588	1.2%	91,456,497	3.1%
Rutherford	11,692,630	940,145,782	1.2%	450,887,514	2.6%
Scott	527,603	54,866,099	1.0%	18,163,638	2.9%
Sequatchie	263,315	36,248,090	0.7%	14,382,186	1.8%
Sevier	2,359,023	328,713,677	0.7%	216,267,209	1.1%
Shelby	55,098,129	1,416,331,146	3.9%	1,395,131,878	3.9%
Smith	1,113,852	55,753,610	2.0%	19,741,683	5.6%
Stewart	432,730	37,126,977	1.2%	16,683,724	2.6%
Sullivan	11,599,976	257,009,488	4.5%	173,725,905	6.7%
Sumner	6,531,550	566,780,328	1.2%	223,242,972	2.9%
Tipton	1,186,189	146,280,593	0.8%	46,421,656	2.6%
Trousdale	174,913	90,478,421	0.2%	11,669,654	1.5%
Unicoi	837,145	44,065,296	1.9%	16,661,074	5.0%
Union	225,028	60,908,004	0.4%	14,805,779	1.5%
Van Buren	54,504	18,189,717	0.3%	6,816,577	0.8%
Warren	1,326,578	114,072,987	1.2%	36,569,552	3.6%

County	Estimated Personal Property Tax Revenue*	Total Governmental Revenue	Percent	Tax Revenue, including state-shared taxes	Percent
Washington	3,861,250	211,162,528	1.8%	143,277,672	2.7%
Wayne	326,130	43,715,115	0.7%	15,321,199	2.1%
Weakley	874,720	70,521,205	1.2%	26,895,848	3.3%
White	545,675	66,799,405	0.8%	20,563,577	2.7%
Williamson	6,625,732	1,114,259,515	0.6%	565,248,112	1.2%
Wilson	4,549,733	489,009,612	0.9%	205,191,268	2.2%
TOTAL	\$304,858,022	\$16,964,070,124	1.8%	\$9,191,059,317	3.3%

Source: Tennessee Comptroller of the Treasury 2021.

*TACIR staff calculated estimated personal property tax revenue using property tax rates, personal property tax assessments, and equalization factors in Tennessee Comptroller of the Treasury 2021.

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Appendix D: Cities' Personal Property Tax Assessments and Revenues 2020

City*	County	Property Tax Rate	Property Assessment	Personal Property Assessment	Percent	Estimated Personal Property Tax Revenue**
Adams	Robertson	0.3491	\$ 13,961,081	\$ 319,955	2.3%	\$ 955
Adamsville	Hardin	0.7595	2,179,059	92,267	4.2%	648
Adamsville	McNairy	0.7775	37,504,405	2,328,816	6.2%	17,511
Alamo	Crockett	1.42	37,767,247	8,382,950	22.2%	113,931
Alcoa	Blount	2.27	607,454,037	121,294,408	20.0%	2,753,383
Alexandria	Dekalb	0.7944	13,985,489	777,305	5.6%	5,046
Algood	Putnam	0.4407	92,218,658	6,235,242	6.8%	23,145
Ardmore	Giles	0.24	28,134,552	1,454,872	5.2%	3,087
Ardmore	Lincoln	0.2122	3,483,021	9,491	0.3%	20
Arlington	Shelby	1.37	404,982,756	23,054,160	5.7%	278,194
Ashland City	Cheatham	0.5037	185,604,690	29,596,019	15.9%	149,075
Athens	McMinn	1.2676	510,003,132	148,372,327	29.1%	1,633,259
Atoka	Tipton	0.9786	232,654,354	3,686,299	1.6%	36,074
Baneberry	Jefferson	0.8242	20,174,879	141,958	0.7%	1,170
Bartlett	Shelby	1.83	1,373,616,969	59,232,710	4.3%	954,751
Baxter	Putnam	1.3901	26,221,014	1,860,381	7.1%	21,783
Bell Buckle	Bedford	0.6	7,759,906	270,620	3.5%	1,150
Belle Meade	Davidson	0.3	520,008,551	994,888	0.2%	2,530
Bells	Crockett	1.34	38,819,948	5,917,981	15.2%	75,899
Benton	Polk	0.77	20,375,164	1,076,749	5.3%	7,643
Bethel Springs	McNairy	0.74	8,185,576	132,984	1.6%	952
Big Sandy	Benton	0.85	5,531,950	203,778	3.7%	1,732
Bluff City	Sullivan	1.28	32,316,344	2,941,243	9.1%	33,066
Bolivar	Hardeman	1.1542	72,700,484	3,825,680	5.3%	41,008
Bradford	Gibson	1.77	11,433,457	707,136	6.2%	12,516
Brentwood	Williamson	0.36	3,497,511,879	91,805,992	2.6%	272,499
Brighton	Tipton	0.8638	53,567,066	4,279,337	8.0%	36,965
Bristol	Sullivan	2.1612	722,214,025	50,158,151	6.9%	952,093
Brownsville	Haywood	1.9666	182,575,515	35,409,414	19.4%	696,362
Bruceton	Carroll	2.2	16,475,702	318,022	1.9%	6,996
Bulls Gap	Hawkins	0.72	28,192,377	11,881,757	42.1%	76,788
Burns	Dickson	0.4013	38,980,670	1,586,710	4.1%	6,367
Byrdstown	Pickett	0.498	15,702,001	439,731	2.8%	2,052
Calhoun	McMinn	0.4701	9,831,267	900,232	9.2%	3,675
Camden	Benton	0.938	73,322,808	3,654,852	5.0%	34,283

City*	County	Property Tax Rate	Property Assessment	Personal Property Assessment	Percent	Estimated Personal Property Tax Revenue**
Carthage	Smith	1.1258	52,930,162	5,299,605	10.0%	52,384
Cedar Hill	Robertson	0.2251	5,262,891	142,971	2.7%	275
Celina	Clay	0.8732	22,333,669	1,182,352	5.3%	10,340
Centerville	Hickman	1.1154	73,287,891	5,452,775	7.4%	55,955
Chapel Hill	Marshall	1.497	40,901,307	1,363,844	3.3%	16,742
Charleston	Bradley	0.4916	14,055,093	1,038,772	7.4%	4,451
Charlotte	Dickson	0.1702	31,726,181	6,036,002	19.0%	10,273
Chattanooga	Hamilton	2.277	6,327,816,770	696,388,321	11.0%	14,261,572
Church Hill	Hawkins	1.1034	135,210,359	6,766,946	5.0%	67,021
Clarksville	Montgomery	1.0296	3,369,037,563	165,172,945	4.9%	1,700,621
Cleveland	Bradley	2.06	1,292,830,359	176,100,324	13.6%	3,162,237
Clifton	Wayne	1	16,566,154	991,146	6.0%	9,264
Clinton	Anderson	0.8646	473,653,579	161,521,193	34.1%	1,396,512
Collegedale	Hamilton	1.65	344,723,501	53,163,430	15.4%	788,951
Collierville	Shelby	1.83	1,845,433,397	63,418,875	3.4%	1,022,226
Collinwood	Wayne	1.6319	20,923,882	5,006,920	23.9%	76,372
Columbia	Mauzy	1.1597	1,032,313,420	96,059,418	9.3%	971,632
Cookeville	Putnam	0.99	940,050,609	78,517,233	8.4%	654,737
Coopertown	Robertson	0.35	117,160,997	2,803,214	2.4%	8,392
Copperhill	Polk	1.1444	9,460,793	280,586	3.0%	2,960
Cornersville	Marshall	1.1	18,780,812	557,690	3.0%	5,030
Cottage Grove	Henry	0.4453	632,187	770	0.1%	3
Covington	Tipton	1.2413	213,298,169	33,266,708	15.6%	412,940
Cowan	Franklin	1.53	18,509,221	886,962	4.8%	12,076
Crossville	Cumberland	0.5905	476,789,944	77,598,849	16.3%	417,394
Cumberland City	Stewart	0.69	27,691,863	11,800,765	42.6%	74,276
Cumberland Gap	Claiborne	0.9	5,275,654	35,221	0.7%	283
Dandridge	Jefferson	0.91	115,849,548	5,847,719	5.0%	53,214
Dayton	Rhea	0.58	204,496,325	33,644,570	16.5%	195,139
Decatur	Meigs	0.3429	36,314,128	4,846,712	13.3%	14,853
Decaturville	Decatur	0.8687	11,983,484	960,433	8.0%	8,343
Decherd	Franklin	1.207	84,542,493	31,420,873	37.2%	337,495
Dickson	Dickson	0.7735	585,942,013	87,287,334	14.9%	675,168
Dover	Stewart	1.3	39,463,677	3,348,482	8.5%	39,708
Dresden	Weakley	1.4837	47,469,233	3,856,680	8.1%	53,365
Ducktown	Polk	0.7889	14,182,575	3,118,289	22.0%	22,676
Dunlap	Sequatchie	0.826	97,176,255	9,805,582	10.1%	73,138
Dyer	Gibson	1.93	27,697,461	2,548,247	9.2%	49,181
Dyersburg	Dyer	2.37	357,133,895	65,146,940	18.2%	1,543,982

City*	County	Property Tax Rate	Property Assessment	Personal Property Assessment	Percent	Estimated Personal Property Tax Revenue**
Eagleville	Rutherford	0.557	29,455,557	2,229,960	7.6%	11,002
East Ridge	Hamilton	1.3381	394,486,580	20,948,701	5.3%	252,115
Elizabethton	Carter	1.85	277,152,059	23,486,079	8.5%	361,194
Elkton	Giles	0.5	8,192,389	110,904	1.4%	490
Englewood	McMinn	1.3177	17,133,223	252,279	1.5%	2,887
Erin	Houston	1.0422	26,352,801	3,354,390	12.7%	34,959
Erwin	Unicoi	1.862	139,827,047	28,926,905	20.7%	450,447
Estill Springs	Franklin	0.83	58,206,230	3,994,331	6.9%	29,503
Etowah	McMinn	1.77	77,153,739	14,761,304	19.1%	226,891
Fairview	Williamson	0.8765	231,295,044	5,987,184	2.6%	43,268
Fayetteville	Lincoln	1.5	196,192,067	18,673,723	9.5%	280,106
Franklin (Outside SSD)	Williamson	0.4176	2,656,670,830	62,248,083	2.3%	214,327
Friendship	Crockett	1.8522	6,377,117	443,709	7.0%	7,866
Gainesboro	Jackson	0.4951	17,875,370	533,396	3.0%	2,315
Gallatin	Sumner	0.8001	1,611,620,102	126,344,420	7.8%	1,010,882
Gallaway	Fayette	1.3408	17,179,187	4,876,323	28.4%	58,484
Gates	Lauderdale	2.0586	5,359,718	240,678	4.5%	4,415
Gatlinburg	Sevier	0.1592	615,766,831	28,079,550	4.6%	32,503
Germantown	Shelby	1.95	1,702,395,089	35,985,720	2.1%	618,076
Gibson	Gibson	0.9864	3,999,154	146,799	3.7%	1,448
Gleason	Weakley	1.6638	16,481,879	3,672,782	22.3%	56,989
Goodlettsville	Davidson	0.91	455,564,954	34,249,675	7.5%	264,204
Goodlettsville	Sumner	0.79	230,782,646	3,746,945	1.6%	29,601
Gordonsville	Smith	0.7629	63,249,768	21,147,102	33.4%	141,649
Grand Junction	Fayette	0.75	1,478,323	271,320	18.4%	1,820
Grand Junction	Hardeman	0.75	6,364,104	1,348,515	21.2%	9,393
Graysville	Rhea	1.3484	10,564,005	199,926	1.9%	2,696
Greenbrier	Robertson	1.57	138,066,880	9,049,535	6.6%	121,519
Greeneville	Greene	2.1775	444,611,529	69,307,170	15.6%	1,288,524
Greenfield	Weakley	1.7322	27,948,050	3,918,287	14.0%	63,298
Halls	Lauderdale	1.6415	36,620,900	5,809,994	15.9%	84,976
Harriman	Roane	1.088	129,624,057	5,725,868	4.4%	62,297
Hartsville	Trousdale	0	55,039,835	4,662,289	8.5%	-
Henderson	Chester	1.05	91,979,489	12,849,044	14.0%	127,414
Hendersonville	Sumner	0.9187	2,234,626,390	73,889,516	3.3%	678,823
Henning	Lauderdale	2.0446	10,081,858	2,099,991	20.8%	38,256
Henry	Henry	0.7899	4,858,206	534,561	11.0%	4,222
Hickory Valley	Hardeman	0.1608	1,359,836	128,296	9.4%	192

City*	County	Property Tax Rate	Property Assessment	Personal Property Assessment	Percent	Estimated Personal Property Tax Revenue**
Hohenwald	Lewis	1.1253	67,695,020	3,334,090	4.9%	37,519
Hollow Rock	Carroll	1.49	6,173,588	69,594	1.1%	1,037
Hornbeak	Obion	1.09	5,310,169	98,663	1.9%	986
Hornsby	Hardeman	0.4783	2,964,725	30,870	1.0%	137
Humboldt	Gibson	2.7297	151,258,483	39,959,930	26.4%	1,090,786
Humboldt	Madison	2.7297	2,658,950	50,392	1.9%	1,254
Huntingdon	Carroll	1.2487	81,794,021	13,149,076	16.1%	164,193
Huntland	Franklin	1.309	13,429,810	2,762,990	20.6%	32,185
Huntsville	Scott	0.5	37,342,432	9,452,235	25.3%	44,605
Jackson	Madison	1.9619	1,744,809,588	221,141,000	12.7%	3,955,036
Jamestown	Fentress	0.72	47,153,806	3,439,957	7.3%	23,319
Jasper	Marion	0.4153	105,675,298	15,140,799	14.3%	56,422
Jefferson City	Jefferson	1.2	190,988,471	26,433,716	13.8%	317,205
Jellico	Campbell	2.15	26,242,487	991,957	3.8%	21,327
Johnson City	Carter	1.83	22,014,830	1,846,634	8.4%	28,092
Johnson City	Sullivan	1.95	29,152,418	973,548	3.3%	16,674
Johnson City	Washington	1.71	2,056,967,203	132,148,825	6.4%	2,259,745
Jonesborough	Washington	1.2	167,051,341	7,208,333	4.3%	86,500
Kenton	Gibson	1.4883	6,024,729	87,640	1.5%	1,304
Kenton	Obion	1.4438	7,669,323	694,015	9.0%	9,190
Kimball	Marion	0.1	62,180,181	3,484,798	5.6%	3,127
Kingsport	Hawkins	1.89	77,120,202	4,661,733	6.0%	79,085
Kingsport	Sullivan	2.0643	1,810,962,787	376,191,488	20.8%	6,820,633
Kingston	Roane	1.3109	163,545,030	4,709,187	2.9%	61,733
Kingston Springs	Cheatham	0.72	99,343,342	3,973,231	4.0%	28,607
Knoxville	Knox	2.4638	5,389,543,105	407,712,306	7.6%	8,813,672
Lafayette	Macon	0.7	112,253,307	11,035,646	9.8%	65,175
Lafollette	Campbell	1.295	140,379,127	15,144,120	10.8%	196,116
Lagrange	Fayette	1.4313	5,275,917	60,829	1.2%	779
Lakeland	Shelby	1.24	371,550,916	4,494,890	1.2%	49,093
Lakesite	Hamilton	0.235	53,683,518	1,337,857	2.5%	2,828
Lavergne	Rutherford	0.71	1,176,667,612	124,662,249	10.6%	784,023
Lawrenceburg	Lawrence	1.4368	240,938,596	44,315,316	18.4%	583,683
Lebanon	Wilson	0.8575	1,402,234,229	135,197,836	9.6%	917,255
Lenoir City	Loudon	0.9955	272,451,947	15,016,460	5.5%	135,272
Lewisburg	Marshall	1.84	274,425,862	70,259,063	25.6%	1,060,069
Lexington	Henderson	1.2075	188,656,284	26,277,699	13.9%	291,348
Liberty	Dekalb	0.189	4,359,651	520,583	11.9%	804
Linden	Perry	0.5032	20,898,745	4,038,664	19.3%	18,648

City*	County	Property Tax Rate	Property Assessment	Personal Property Assessment	Percent	Estimated Personal Property Tax Revenue**
Livingston	Overton	1.5087	99,051,654	14,409,677	14.5%	217,399
Lobelville	Perry	0.5481	36,205,338	2,267,416	6.3%	11,404
Lookout Mtn.	Hamilton	2.09	122,657,700	428,295	0.3%	8,051
Loretto	Lawrence	0.4	28,801,868	2,360,373	8.2%	8,655
Loudon	Loudon	1.2367	271,973,311	78,166,038	28.7%	874,748
Lynchburg	Moore	0	22,233,331	2,116,260	9.5%	-
Lynnville	Giles	0.584	4,639,309	31,509	0.7%	163
Madisonville	Monroe	0.8473	110,580,012	3,637,817	3.3%	28,570
Manchester	Coffee	1.9316	247,192,543	18,396,176	7.4%	303,816
Martin	Weakley	1.7544	192,638,923	26,644,358	13.8%	435,943
Maryville	Blount	2.27	1,095,924,976	170,359,633	15.5%	3,867,164
Mason	Tipton	1.4635	17,507,775	626,010	3.6%	9,162
Maury City	Crockett	1.0426	6,820,472	488,697	7.2%	4,877
McEwen	Humphreys	0.4799	26,382,834	793,738	3.0%	3,809
McKenzie	Carroll	1.0097	65,139,413	3,838,240	5.9%	38,755
McKenzie	Henry	1.0097	65,139,413	3,838,240	5.9%	38,755
McKenzie	Weakley	1.0661	65,139,413	3,838,240	5.9%	38,162
McLemoresville	Carroll	0.6957	4,159,650	477,074	11.5%	3,319
McMinnville	Warren	1.8497	263,023,959	19,416,158	7.4%	359,141
Medina	Gibson	1.5671	82,116,302	1,746,958	2.1%	27,377
Memphis	Shelby	3.195986	12,649,734,412	1,252,398,625	9.9%	35,255,328
Middleton	Hardeman	0.9287	34,849,073	8,776,072	25.2%	75,692
Milan	Gibson	1.6022	144,175,472	17,463,435	12.1%	279,799
Millersville	Robertson	1	32,940,773	1,436,462	4.4%	12,286
Millersville	Sumner	1	82,950,558	2,383,253	2.9%	23,833
Millington	Shelby	1.53	199,569,371	13,357,730	6.7%	180,012
Mitchellville	Sumner	0.4662	3,750,116	19,264	0.5%	90
Monterey	Putnam	1.36	36,624,069	4,970,449	13.6%	56,938
Morrison	Warren	0.1006	16,796,865	1,926,808	11.5%	1,938
Morristown	Hamblen	1.3958	1,053,303,111	285,812,084	27.1%	3,989,365
Morristown	Jefferson	1.3958	86,150	-	0.0%	-
Moscow	Fayette	2	16,128,513	3,462,254	21.5%	61,940
Mount Carmel	Hawkins	1.67	81,148,512	757,334	0.9%	11,352
Mount Pleasant	Maury	1.66	122,371,182	29,264,127	23.9%	423,701
Mountain City	Johnson	1.1111	51,889,021	1,697,423	3.3%	16,923
Mt. Juliet	Wilson	0.1664	1,274,421,409	47,424,866	3.7%	62,438
Munford	Tipton	1.1695	126,580,929	3,461,946	2.7%	40,487
Murfreesboro	Rutherford	1.2894	4,812,192,146	249,690,700	5.2%	2,851,844
Nashville	Davidson	0.433	26,055,739,997	1,273,224,835	4.9%	4,673,424

City*	County	Property Tax Rate	Property Assessment	Personal Property Assessment	Percent	Estimated Personal Property Tax Revenue**
New Hope	Marion	0.3485	19,562,698	3,450,104	17.6%	10,789
New Johnsonville	Humphreys	0.8698	43,347,865	1,831,606	4.2%	15,931
New Market	Jefferson	0.6	33,084,297	1,729,747	5.2%	10,378
Newbern	Dyer	1.3145	58,390,594	15,671,023	26.8%	205,996
Newport	Cocke	2.412	160,720,742	17,843,721	11.1%	430,391
Niota	McMinn	1.2101	17,479,419	1,958,415	11.2%	20,580
Nolensville	Williamson	0.29	532,446,069	6,291,267	1.2%	15,043
Normandy	Bedford	0.5	1,568,091	16,097	1.0%	57
Norris	Anderson	1.5439	48,018,846	1,201,163	2.5%	18,545
Oak Ridge	Anderson	2.3136	764,392,778	54,466,950	7.1%	1,260,147
Oak Ridge	Roane	2.3136	192,957,539	30,082,458	15.6%	695,988
Oakdale	Morgan	2.08	1,931,294	4,585	0.2%	83
Oakland	Fayette	0.522	235,406,097	9,825,644	4.2%	45,879
Obion	Obion	1.7391	11,372,816	1,073,476	9.4%	17,121
Oliver Springs	Anderson	1.1394	42,744,403	1,496,917	3.5%	17,056
Oliver Springs	Morgan	1.3053	754,407	-	0.0%	-
Oliver Springs	Roane	1.1394	12,085,137	758,918	6.3%	8,647
Oneida	Scott	1.35	78,507,248	5,721,758	7.3%	72,903
Paris	Henry	0.72	210,744,216	21,993,854	10.4%	158,356
Parsons	Decatur	0.8495	52,099,380	8,513,631	16.3%	72,323
Pegram	Cheatham	0.4839	58,960,666	622,980	1.1%	3,015
Petersburg	Lincoln	0.767	3,690,241	58,908	1.6%	452
Petersburg	Marshall	0.9353	1,530,107	24,912	1.6%	191
Pigeon Forge	Sevier	0.2	736,912,006	54,138,547	7.3%	78,728
Pikeville	Bledsoe	1	32,028,899	1,987,872	6.2%	17,710
Piperton	Fayette	0.3749	140,921,694	12,201,498	8.7%	40,917
Pittman Center	Sevier	0.85	37,692,164	1,679,802	4.5%	10,382
Portland	Robertson	1.06	38,351,292	22,249,190	58.0%	201,715
Portland	Sumner	1.06	415,212,036	69,521,856	16.7%	736,932
Pulaski	Giles	0.5612	201,937,635	59,141,514	29.3%	293,402
Puryear	Henry	0.61	33,943,077	87,801	0.3%	536
Red Bank	Hamilton	1.39	222,094,786	4,776,042	2.2%	59,708
Red Boiling Spgs	Macon	1.45	13,167,806	324,697	2.5%	3,972
Ridgely	Lake	1.87	13,965,714	466,015	3.3%	8,714
Ridgeside	Hamilton	2.731	10,318,198	41,368	0.4%	1,016
Ridgetop	Davidson	0.6325	1,027,855	46,135	4.5%	247
Ridgetop	Robertson	0.6325	47,561,680	801,397	1.7%	4,335
Ripley	Lauderdale	2.55	126,152,283	26,665,347	21.1%	605,850
Rives	Obion	1.9464	2,682,367	72,439	2.7%	1,293

City*	County	Property Tax Rate	Property Assessment	Personal Property Assessment	Percent	Estimated Personal Property Tax Revenue**
Rockwood	Roane	0.922	100,175,193	15,691,496	15.7%	144,676
Rocky Top	Anderson	2	31,503,166	6,267,847	19.9%	125,357
Rocky Top	Campbell	2	1,469,820	27,853	1.9%	557
Rogersville	Hawkins	1.67	129,607,198	29,219,329	22.5%	437,995
Rossville	Fayette	1.1552	65,623,593	11,078,222	16.9%	114,474
Rutherford	Gibson	1.94	12,160,004	746,049	6.1%	14,473
Saint Joseph	Lawrence	0.728	9,370,343	451,185	4.8%	3,011
Samburg	Obion	1.0813	3,965,393	192,669	4.9%	1,911
Sardis	Henderson	0.5	4,296,360	18,702	0.4%	86
Savannah	Hardin	0.7	138,350,303	8,901,014	6.4%	57,634
Scotts Hill	Decatur	0.6252	2,889,091	7,315	0.3%	46
Scotts Hill	Henderson	0.6809	8,476,743	456,200	5.4%	2,852
Selmer	McNairy	0.818	105,817,756	22,924,100	21.7%	181,350
Sevierville	Sevier	0.497	844,216,014	42,346,927	5.0%	153,029
Sharon	Weakley	1.8004	10,877,606	1,127,489	10.4%	18,931
Shelbyville	Bedford	1.77	429,167,563	60,507,502	14.1%	758,363
Signal Mtn.	Hamilton	1.8866	300,032,672	1,945,870	0.6%	33,018
Smithville	Dekalb	0.899	141,765,445	41,975,151	29.6%	308,338
Smyrna	Rutherford	0.7007	1,687,635,165	172,842,578	10.2%	1,072,799
Soddy Daisy	Hamilton	1.3524	280,817,757	12,361,598	4.4%	150,360
Somerville	Fayette	0.6802	70,959,922	4,002,230	5.6%	24,351
South Carthage	Smith	0.9704	29,702,824	3,117,993	10.5%	26,566
South Fulton	Obion	1.6748	24,563,012	859,211	3.5%	13,197
South Pittsburg	Marion	0.99	62,154,606	8,726,531	14.0%	77,520
Sparta	White	0.9183	135,183,007	13,871,040	10.3%	127,378
Spring City	Rhea	1.33	44,945,945	5,692,634	12.7%	75,712
Spring Hill	Maury	0.96	584,884,598	34,143,157	5.8%	285,885
Spring Hill	Williamson	1.01	833,269,582	8,741,896	1.0%	72,798
Springfield	Robertson	1.072	436,849,562	66,477,484	15.2%	609,520
Stanton	Haywood	1.242	5,010,154	103,287	2.1%	1,283
Sunbright	Morgan	0.6	9,437,149	978,673	10.4%	5,126
Surgoinsville	Hawkins	1.2	30,339,624	297,063	1.0%	3,200
Sweetwater	McMinn	1.38	3,392,283	185,583	5.5%	2,224
Sweetwater	Monroe	1.38	143,232,510	16,559,325	11.6%	211,814
Tellico Plains	Monroe	0.441	19,647,959	665,738	3.4%	2,721
Tennessee Ridge	Houston	0.725	16,687,534	167,354	1.0%	1,213
Thompsons Station	Williamson	0.103	299,278,949	9,134,707	3.1%	7,758
Three Way	Madison	0.5536	53,118,390	2,899,863	5.5%	14,634
Tiptonville	Lake	1.8727	20,396,516	778,608	3.8%	14,581

City*	County	Property Tax Rate	Property Assessment	Personal Property Assessment	Percent	Estimated Personal Property Tax Revenue**
Toone	Hardeman	0.6	2,723,681	38,939	1.4%	217
Tracy City	Grundy	0.5347	23,203,742	756,531	3.3%	4,045
Trenton	Gibson	1.63	66,309,833	10,685,036	16.1%	174,166
Trezevant	Carroll	0.6504	8,864,741	458,190	5.2%	2,980
Trimble	Dyer	1.71	5,393,930	89,203	1.7%	1,525
Trimble	Obion	1.71	91,044	330	0.4%	5
Troy	Obion	1.742	18,809,670	1,818,823	9.7%	29,057
Tullahoma	Coffee	2.4305	426,899,570	32,010,893	7.5%	665,211
Tullahoma	Franklin	2.4305	28,412,595	2,909,171	10.2%	62,923
Union City	Obion	2.12	218,471,561	22,874,985	10.5%	444,747
Vanleer	Dickson	0.0457	8,990,299	342,020	3.8%	156
Vonore	Monroe	0.3504	217,361,137	96,514,578	44.4%	313,466
Walden	Hamilton	0.6053	84,668,114	971,265	1.1%	5,288
Wartrace	Bedford	1.3094	10,496,486	391,861	3.7%	3,633
Watauga	Carter	0.7	5,858,796	676,666	11.5%	3,938
Watauga	Washington	0.7	68,065	-	0.0%	-
Watertown	Wilson	0.8822	23,828,698	1,757,047	7.4%	12,264
Waverly	Humphreys	1.11	84,396,138	4,923,722	5.8%	54,653
Waynesboro	Wayne	1.4474	40,155,897	3,939,873	9.8%	53,302
Westmoreland	Sumner	1.1318	45,578,474	1,297,650	2.8%	14,687
White Bluff	Dickson	0.5	85,233,213	5,858,223	6.9%	29,291
White House	Robertson	1.0362	207,998,968	10,610,932	5.1%	94,041
White House	Sumner	1.0362	168,713,565	1,488,055	0.9%	15,419
White Pine	Hamblen	1.2627	-	-	NA	-
White Pine	Jefferson	1.0762	55,764,203	2,374,255	4.3%	25,552
Whiteville	Hardeman	0.8621	28,067,858	2,298,452	8.2%	18,402
Whitwell	Marion	1.01	26,251,692	679,229	2.6%	6,156
Winchester	Franklin	0.9733	269,591,891	37,403,787	13.9%	323,969
Woodbury	Cannon	0.8862	51,537,699	2,376,779	4.6%	18,207
Woodland Mills	Obion	0.75	5,132,384	140,714	2.7%	968
Yorkville	Gibson	0.5614	3,583,122	370,141	10.3%	2,078
TOTAL		1.5798	\$119,817,270,134	\$9,735,170,639	8.1%	\$138,175,374

Source: Tennessee Comptroller of the Treasury 2021 and TACIR staff calculations.

*The 271 (of 345) cities with a property tax are listed.

**TACIR staff calculated estimated personal property tax revenue using property tax rates, personal property tax assessments, and equalization factors in Tennessee Comptroller of the Treasury 2021.

Appendix E: Cities' Personal Property Tax Revenue as a Percentage of Revenue Bases 2020

City*	Estimated Personal Property Tax Revenue**	Total Governmental Revenue (not including business-type activities)	Percent	Tax Revenue	Percent
Adams	\$ 955	\$ 529,890	0.2%	\$ 253,563	0.4%
Adamsville	18,159	1,869,430	1.0%	915,650	2.0%
Alamo	113,931	7,435,743	1.5%	1,329,804	8.6%
Alcoa	2,753,383	55,012,610	5.0%	51,845,082	5.3%
Alexandria	5,046	486,322	1.0%	474,007	1.1%
Algood	23,145	3,606,799	0.6%	-	
Ardmore	3,107	1,361,955	0.2%	924,232	0.3%
Arlington	278,194	65,951,294	0.4%	28,568,658	1.0%
Ashland City	149,075	6,007,890	2.5%	4,840,990	3.1%
Athens	1,633,259	36,183,266	4.5%	10,902,837	15.0%
Atoka	36,074	6,812,133	0.5%	4,369,995	0.8%
Baneberry	1,170	483,817	0.2%	178,268	0.7%
Bartlett	954,751	168,744,763	0.6%	77,165,330	1.2%
Baxter	21,783	1,948,528	1.1%	1,363,705	1.6%
Bell Buckle	1,150	327,661	0.4%	140,644	0.8%
Belle Meade	2,530	5,238,060	0.0%	1,566,017	0.2%
Bells	75,899	6,180,141	1.2%	1,173,875	6.5%
Benton	7,643	1,578,423	0.5%	649,263	1.2%
Bethel Springs	952	385,244	0.2%	149,278	0.6%
Big Sandy	1,732	664,215	0.3%	199,600	0.9%
Bluff City	33,066	1,625,446	2.0%	791,002	4.2%
Bolivar	41,008	5,991,975	0.7%	3,293,250	1.2%
Bradford	12,516	1,304,895	1.0%	299,226	4.2%
Brentwood	272,499	53,369,400	0.5%	34,795,122	0.8%
Brighton	36,965	1,347,644	2.7%	733,384	5.0%
Bristol	952,093	87,109,830	1.1%	40,985,712	2.3%
Brownsville	696,362	13,320,197	5.2%	6,244,824	11.2%
Bruceton	6,996	1,190,263	0.6%	504,258	1.4%
Bulls Gap	76,788	495,345	15.5%	356,000	21.6%
Burns	6,367	1,100,101	0.6%	373,123	1.7%
Byrdstown	2,052	680,899	0.3%	442,823	0.5%
Calhoun	3,675	406,555	0.9%	93,129	3.9%
Camden	34,283	3,981,424	0.9%	2,548,667	1.3%
Carthage	52,384	2,938,679	1.8%	2,161,931	2.4%
Cedar Hill	275	505,751	0.1%	111,362	0.2%
Celina	10,340	1,785,452	0.6%	600,601	1.7%
Centerville	55,955	4,514,901	1.2%	2,259,296	2.5%
Chapel Hill	16,742	1,484,037	1.1%	1,075,104	1.6%
Charleston	4,451	495,627	0.9%	349,197	1.3%
Charlotte	10,273	799,372	1.3%	558,383	1.8%
Chattanooga	14,261,572	336,236,110	4.2%	238,575,460	6.0%
Church Hill	67,021	3,861,316	1.7%	2,532,563	2.6%

City*	Estimated Personal Property Tax Revenue**	Total Governmental Revenue (not including business-type activities)	Percent	Tax Revenue	Percent
Clarksville	1,700,621	95,479,160	1.8%	58,486,759	2.9%
Cleveland	3,162,237	116,080,983	2.7%	47,619,625	6.6%
Clifton	9,264	1,127,123	0.8%	378,425	2.4%
Clinton	1,396,512	22,295,272	6.3%	13,096,715	10.7%
Collegedale	788,951	12,158,848	6.5%	8,719,977	9.0%
Collierville	1,022,226	178,921,105	0.6%	66,851,002	1.5%
Collinwood	76,372	1,102,404	6.9%	421,693	18.1%
Columbia	971,632	43,385,064	2.2%	28,300,129	3.4%
Cookeville	654,737	38,379,942	1.7%	26,029,741	2.5%
Coopertown	8,392	1,796,535	0.5%	830,929	1.0%
Copperhill	2,960	360,462	0.8%	262,377	1.1%
Cornersville	5,030	662,160	0.8%	310,299	1.6%
Cottage Grove	3	38,459	0.0%	10,637	0.0%
Covington	412,940	13,157,452	3.1%	8,202,888	5.0%
Cowan	12,076	1,014,390	1.2%	260,850	4.6%
Crossville	417,394	17,516,592	2.4%	13,287,434	3.1%
Cumberland City	74,276	578,217	12.8%	419,008	17.7%
Cumberland Gap	283	212,865	0.1%	97,365	0.3%
Dandridge	53,214	4,469,116	1.2%	2,841,801	1.9%
Dayton	195,139	15,935,179	1.2%	6,602,275	3.0%
Decatur	14,853	851,012	1.7%	508,145	2.9%
Decaturville	8,343	584,302	1.4%	358,879	2.3%
Decherd	337,495	3,448,214	9.8%	2,436,116	13.9%
Dickson	675,168	20,325,499	3.3%	14,571,072	4.6%
Dover	39,708	1,523,862	2.6%	1,079,943	3.7%
Dresden	53,365	2,653,832	2.0%	1,572,453	3.4%
Ducktown	22,676	469,680	4.8%	289,078	7.8%
Dunlap	73,138	4,628,498	1.6%	2,546,874	2.9%
Dyer	49,181	1,565,165	3.1%	885,441	5.6%
Dyersburg	1,543,982	54,839,476	2.8%	19,995,823	7.7%
Eagleville	11,002	1,122,500	1.0%	819,992	1.3%
East Ridge	252,115	19,126,739	1.3%	11,360,479	2.2%
Elizabethton	361,194	16,486,318	2.2%	11,098,949	3.3%
Elkton	490	394,557	0.1%	148,559	0.3%
Englewood	2,887	1,015,016	0.3%	403,984	0.7%
Erin	34,959	1,319,840	2.6%	929,382	3.8%
Erwin	450,447	6,167,716	7.3%	4,861,061	9.3%
Estill Springs	29,503	1,468,574	2.0%	795,487	3.7%
Etowah	226,891	7,806,585	2.9%	2,699,049	8.4%
Fairview	43,268	7,173,397	0.6%	4,670,383	0.9%
Fayetteville	280,106	22,773,326	1.2%	9,375,684	3.0%
Franklin (Outside SSD)	214,327	127,003,848	0.2%	48,399,112	0.4%
Friendship	7,866	373,526	2.1%	182,108	4.3%
Gainesboro	2,315	862,248	0.3%	485,601	0.5%
Gallatin	1,010,882	51,004,768	2.0%	24,440,318	4.1%
Gallaway	58,484	854,352	6.8%	574,383	10.2%

City*	Estimated Personal Property Tax Revenue**	Total Governmental Revenue (not including business-type activities)	Percent	Tax Revenue	Percent
Gates	4,415	308,541	1.4%	146,212	3.0%
Gatlinburg	32,503	45,835,368	0.1%	34,757,296	0.1%
Germantown	618,076	136,519,267	0.5%	66,277,172	0.9%
Gibson	1,448	559,147	0.3%	110,009	1.3%
Gleason	56,989	929,149	6.1%	376,892	15.1%
Goodlettsville	293,805	19,244,450	1.5%	11,681,652	2.5%
Gordonsville	141,649	1,454,498	9.7%	1,169,590	12.1%
Grand Junction	11,213	396,645	2.8%	170,811	6.6%
Graysville	2,696	951,638	0.3%	414,200	0.7%
Greenbrier	121,519	4,994,113	2.4%	2,829,342	4.3%
Greeneville	1,288,524	56,614,226	2.3%	27,447,970	4.7%
Greenfield	63,298	1,479,025	4.3%	999,132	6.3%
Halls	84,976	2,289,430	3.7%	870,022	9.8%
Harriman	62,297	6,777,010	0.9%	4,854,170	1.3%
Hartsville	See Trousdale County in Appendix C.				
Henderson	127,414	5,498,490	2.3%	2,641,455	4.8%
Hendersonville	678,823	53,404,144	1.3%	38,479,175	1.8%
Henning	38,256	591,517	6.5%	353,314	10.8%
Henry	4,222	369,687	1.1%	118,069	3.6%
Hickory Valley	192	69,476	0.3%	42,333	0.5%
Hohenwald	37,519	4,277,917	0.9%	2,503,357	1.5%
Hollow Rock	1,037	353,507	0.3%	124,338	0.8%
Hornbeak	986	251,721	0.4%	128,570	0.8%
Hornsby	137	73,563	0.2%	5,748	2.4%
Humboldt	1,092,040	27,377,885	4.0%	7,780,282	14.0%
Huntingdon	164,193	4,975,920	3.3%	2,888,634	5.7%
Huntland	32,185	556,345	5.8%	276,113	11.7%
Huntsville	44,605	975,695	4.6%	507,914	8.8%
Jackson	3,955,036	103,728,216	3.8%	67,821,946	5.8%
Jamestown	23,319	2,116,645	1.1%	1,178,275	2.0%
Jasper	56,422	2,280,824	2.5%	1,489,285	3.8%
Jefferson City	317,205	12,157,283	2.6%	6,811,849	4.7%
Jellico	21,327	1,766,519	1.2%	851,415	2.5%
Johnson City	2,304,511	169,025,716	1.4%	100,498,532	2.3%
Jonesborough	86,500	8,381,172	1.0%	4,479,795	1.9%
Kenton	10,494	946,764	1.1%	357,816	2.9%
Kimball	3,127	2,701,047	0.1%	2,333,784	0.1%
Kingsport	6,899,717	163,795,310	4.2%	101,081,634	6.8%
Kingston	61,733	6,219,219	1.0%	3,750,875	1.6%
Kingston Springs	28,607	2,365,592	1.2%	1,310,993	2.2%
Knoxville	8,813,672	286,380,928	3.1%	193,283,791	4.6%
Lafayette	65,175	5,545,286	1.2%	3,050,276	2.1%
Lafollette	196,116	7,480,720	2.6%	4,363,959	4.5%
Lagrange	779	597,762	0.1%	81,442	1.0%
Lakeland	49,093	30,833,447	0.2%	6,075,494	0.8%
Lakesite	2,828	1,668,790	0.2%	782,753	0.4%
Lavergne	784,023	29,798,985	2.6%	20,564,467	3.8%

City*	Estimated Personal Property Tax Revenue**	Total Governmental Revenue (not including business-type activities)	Percent	Tax Revenue	Percent
Lawrenceburg	583,683	14,239,186	4.1%	8,856,463	6.6%
Lebanon	917,255	49,226,288	1.9%	27,590,431	3.3%
Lenoir City	135,272	35,944,938	0.4%	15,157,003	0.9%
Lewisburg	1,060,069	11,997,174	8.8%	7,716,502	13.7%
Lexington	291,348	18,365,911	1.6%	7,774,394	3.7%
Liberty	804	104,077	0.8%	46,288	1.7%
Linden	18,648	825,741	2.3%	547,428	3.4%
Livingston	217,399	4,600,700	4.7%	2,704,137	8.0%
Lobelville	11,404	667,340	1.7%	380,419	3.0%
Lookout					
Mountain	8,051	3,947,205	0.2%	2,709,137	0.3%
Loretto	8,655	1,439,335	0.6%	661,865	1.3%
Loudon	874,748	7,658,045	11.4%	6,228,804	14.0%
Lynchburg	See Moore County in Appendix C.				
Lynnville	163	156,394	0.1%	54,975	0.3%
Madisonville	28,570	5,111,833	0.6%	3,355,613	0.9%
Manchester	303,816	32,246,021	0.9%	15,605,829	1.9%
Martin	435,943	12,842,384	3.4%	6,235,252	7.0%
Maryville	3,867,164	103,049,089	3.8%	61,919,011	6.2%
Mason	9,162	855,991	1.1%	329,719	2.8%
Maury City	4,877	389,786	1.3%	160,887	3.0%
McEwen	3,809	1,195,650	0.3%	541,206	0.7%
McKenzie	78,281	4,022,880	1.9%	2,138,841	3.7%
McLemoresville	3,319	180,049	1.8%	44,010	7.5%
McMinnville	359,141	14,207,766	2.5%	8,753,985	4.1%
Medina	27,377	3,312,726	0.8%	1,715,170	1.6%
Memphis	35,255,328	1,002,918,000	3.5%	619,343,000	5.7%
Middleton	75,692	876,559	8.6%	672,803	11.3%
Milan	279,799	9,532,720	2.9%	5,811,904	4.8%
Millersville	36,119	3,965,270	0.9%	1,813,428	2.0%
Millington	180,012	47,997,352	0.4%	17,157,703	1.0%
Mitchellville	90	57,091	0.2%	20,670	0.4%
Monterey	56,938	2,278,993	2.5%	1,076,689	5.3%
Morrison	1,938	647,755	0.3%	279,000	0.7%
Morristown	3,989,365	42,411,057	9.4%	31,670,979	12.6%
Moscow	61,940	728,782	8.5%	462,561	13.4%
Mount Carmel	11,352	1,892,798	0.6%	1,821,909	0.6%
Mt. Juliet	423,701	36,075,960	1.2%	15,027,516	2.8%
Mount Pleasant	16,923	4,183,371	0.4%	2,668,242	0.6%
Mountain City	62,438	3,062,115	2.0%	1,216,324	5.1%
Munford	40,487	4,526,470	0.9%	1,048,922	3.9%
Murfreesboro	2,851,844	264,556,404	1.1%	152,020,847	1.9%
Nashville	4,673,424	1,817,556,308	0.3%	1,742,641,656	0.3%
New Hope	10,789	282,738	3.8%	101,111	10.7%
New Johnsonville	15,931	1,269,424	1.3%	666,890	2.4%
New Market	10,378	396,078	2.6%	88,431	11.7%
Newbern	205,996	3,197,948	6.4%	1,745,430	11.8%

City*	Estimated Personal Property Tax Revenue**	Total Governmental Revenue (not including business-type activities)	Percent	Tax Revenue	Percent
Newport	430,391	18,094,407	2.4%	10,354,822	4.2%
Niota	20,580	840,324	2.4%	442,545	4.7%
Nolensville	15,043	8,504,007	0.2%	988,137	1.5%
Normandy	57	31,010	0.2%	5,559	1.0%
Norris	18,545	1,687,409	1.1%	1,081,748	1.7%
Oak Ridge	1,956,135	109,319,127	1.8%	43,049,524	4.5%
Oakdale	83	76,374	0.1%	43,915	0.2%
Oakland	45,879	6,798,177	0.7%	3,317,492	1.4%
Obion	17,121	703,251	2.4%	277,828	6.2%
Oliver Springs	25,703	2,824,914	0.9%	1,484,251	1.7%
Oneida	72,903	2,420,407	3.0%	2,370,111	3.1%
Paris	158,356	11,687,759	1.4%	7,625,371	2.1%
Parsons	72,323	2,832,639	2.6%	1,414,704	5.1%
Pegram	3,015	1,150,153	0.3%	523,928	0.6%
Petersburg	643	282,138	0.2%	122,528	0.5%
Pigeon Forge	78,728	46,061,774	0.2%	32,717,164	0.2%
Pikeville	17,710	1,426,865	1.2%	698,385	2.5%
Piperton	40,917	3,265,382	1.3%	1,737,058	2.4%
Pittman Center	10,382	1,018,451	1.0%	749,640	1.4%
Portland	938,647	14,067,974	6.7%	7,457,468	12.6%
Pulaski	293,402	8,266,772	3.5%	5,523,014	5.3%
Puryear	536	365,104	0.1%	135,542	0.4%
Red Bank	59,708	8,231,727	0.7%	4,863,769	1.2%
Red Boiling Springs	3,972	951,057	0.4%	449,045	0.9%
Ridgely	8,714	899,301	1.0%	356,023	2.4%
Ridgeside	1,016	466,608	0.2%	300,479	0.3%
Ridgetop	4,583	1,083,043	0.4%	514,197	0.9%
Ripley	605,850	8,680,441	7.0%	4,653,306	13.0%
Rives	1,293	159,286	0.8%	60,129	2.2%
Rockwood	144,676	5,727,220	2.5%	2,995,245	4.8%
Rocky Top	125,914	1,811,471	7.0%	1,192,493	10.6%
Rogersville	437,995	11,988,051	3.7%	6,377,890	6.9%
Rossville	114,474	1,503,847	7.6%	919,726	12.4%
Rutherford	14,473	931,029	1.6%	459,613	3.1%
Saint Joseph	3,011	462,542	0.7%	223,308	1.3%
Samburg	1,911	410,002	0.5%	125,593	1.5%
Sardis	86	124,463	0.1%	38,028	0.2%
Savannah	57,634	13,566,340	0.4%	10,079,951	0.6%
Scotts Hill	2,898	753,594	0.4%	111,473	2.6%
Selmer	181,350	5,003,082	3.6%	2,387,978	7.6%
Sevierville	153,029	51,111,997	0.3%	33,910,745	0.5%
Sharon	18,931	840,116	2.3%	200,670	9.4%
Shelbyville	758,363	22,819,476	3.3%	14,546,344	5.2%
Signal Mountain	33,018	8,975,891	0.4%	6,437,470	0.5%
Smithville	308,338	4,503,520	6.8%	2,990,945	10.3%
Smyrna	1,072,799	53,209,858	2.0%	29,560,737	3.6%

City*	Estimated Personal Property Tax Revenue**	Total Governmental Revenue (not including business-type activities)	Percent	Tax Revenue	Percent
Soddy-Daisy	150,360	9,195,783	1.6%	6,721,779	2.2%
Somerville	24,351	3,300,745	0.7%	1,331,905	1.8%
South Carthage	26,566	832,936	3.2%	473,968	5.6%
South Fulton	13,197	1,988,787	0.7%	803,309	1.6%
South Pittsburg	77,520	2,406,876	3.2%	1,350,971	5.7%
Sparta	127,378	6,155,617	2.1%	4,305,388	3.0%
Spring City	75,712	1,766,358	4.3%	1,092,792	6.9%
Spring Hill	358,682	37,616,052	1.0%	22,119,734	1.6%
Springfield	609,520	17,938,668	3.4%	13,013,506	4.7%
Stanton	1,283	296,620	0.4%	125,566	1.0%
Sunbright	5,126	313,965	1.6%	248,337	2.1%
Surgoinsville	3,200	985,135	0.3%	739,248	0.4%
Sweetwater	214,038	21,750,568	1.0%	7,934,261	2.7%
Tellico Plains	2,721	775,461	0.4%	437,316	0.6%
Tennessee Ridge	1,213	471,541	0.3%	258,770	0.5%
Thompson's Station	7,758	3,960,710	0.2%	1,674,328	0.5%
Three Way	14,634	764,551	1.9%	489,348	3.0%
Tiptonville	14,581	1,599,283	0.9%	574,825	2.5%
Toone	217	236,997	0.1%	54,556	0.4%
Tracy City	4,045	1,026,468	0.4%	387,652	1.0%
Trenton	174,166	4,181,673	4.2%	2,145,642	8.1%
Trezevant	2,980	500,244	0.6%	180,259	1.7%
Trimble	1,531	347,542	0.4%	93,945	1.6%
Troy	29,057	1,677,796	1.7%	659,491	4.4%
Tullahoma	728,134	60,178,988	1.2%	30,158,035	2.4%
Union City	444,747	33,164,108	1.3%	13,781,465	3.2%
Vanleer	156	150,753	0.1%	81,731	0.2%
Vonore	313,466	2,240,874	14.0%	1,818,310	17.2%
Walden	5,288	1,151,695	0.5%	622,101	0.8%
Wartrace	3,633	416,477	0.9%	216,879	1.7%
Watauga	3,938	231,371	1.7%	168,516	2.3%
Watertown	12,264	944,487	1.3%	513,957	2.4%
Waverly	54,653	4,161,926	1.3%	2,831,196	1.9%
Waynesboro	53,302	2,845,847	1.9%	1,830,683	2.9%
Westmoreland	14,687	1,984,825	0.7%	1,157,702	1.3%
White Bluff	29,291	2,088,210	1.4%	1,168,207	2.5%
White House	109,460	12,267,226	0.9%	8,082,891	1.4%
White Pine	25,552	2,137,214	1.2%	1,448,357	1.8%
Whiteville	18,402	1,379,720	1.3%	513,177	3.6%
Whitwell	6,156	1,013,582	0.6%	653,416	0.9%
Winchester	323,969	8,611,330	3.8%	5,559,469	5.8%
Woodbury	18,207	1,639,234	1.1%	1,077,817	1.7%
Woodland Mills	968	129,984	0.7%	39,718	2.4%
Yorkville	2,078	96,363	2.2%	25,331	8.2%
TOTAL	\$ 138,175,374	\$ 5,491,092,544	2.4%	\$ 3,124,119,125	2.8%

Source: Tennessee Comptroller of the Treasury 2021 and TACIR staff calculations.

*The 271 (of 345) cities with a property tax are listed.

**TACIR staff calculated estimated personal property tax revenue using property tax rates, personal property tax assessments, and equalization factors in Tennessee Comptroller of the Treasury 2021.

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Appendix F: Special School Districts' Personal Property Tax Assessments and Revenues 2020

Special School District	SSD Property Tax Rate	Property Assessment	Personal Property Assessment	Percent	Estimated Personal Property Tax Revenue*
Bradford SSD	1.7349	\$ 52,447,477	\$ 920,739	1.8%	\$ 15,974
Franklin SSD	0.829	2,885,092,847	152,511,200	5.3%	1,042,430
Gibson Co SSD	2.0103	351,575,114	8,453,137	2.4%	169,933
Hollow-Rock Bruceston SSD	1.3246	49,947,385	584,483	1.2%	7,742
Huntingdon SSD	1.1211	138,239,089	13,754,316	9.9%	154,200
Kenton SSD	0.41	35,522,359	808,886	2.3%	3,316
Lebanon SSD	0.3827	1,199,939,424	93,135,580	7.8%	282,007
McKenzie SSD	1.1844	111,644,420	5,937,225	5.3%	70,320
Milan SSD	2.23	195,496,161	22,722,637	11.6%	506,715
Oneida SSD	0.51	62,103,990	4,286,498	6.9%	20,633
Paris SSD	0.5065	215,228,063	20,973,296	9.7%	106,230
Richard City SSD	0.1921	12,135,754	247,898	2.0%	427
South Carroll SSD	1.3539	40,537,783	1,017,425	2.5%	13,775
Trenton SSD	2.1105	129,317,667	11,424,002	8.8%	241,104
West Carroll SSD	1.2207	118,969,788	2,271,955	1.9%	27,734
TOTAL	0.8731	\$ 5,598,197,321	\$ 339,049,277	6.1%	\$ 2,662,540

Source: Tennessee Comptroller of the Treasury 2021 and TACIR staff calculations.

*Estimated personal property tax revenue is calculated from property tax rates, personal property tax assessments, and equalization factors.

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Appendix G: Fire Districts' Personal Property Tax Assessments and Revenues 2020

Fire District	Property Tax Rate	Property Assessment	Personal Property Assessment	Percent	Estimated Personal Property Tax Revenue*
Fire District # 1	0.44	\$ 640,116,290	\$ 17,109,872	2.7%	\$ 65,625
Fire District # 2	1.2466	488,621,622	74,248,347	15.2%	806,828
Ashland City R.F.	0.215	64,432,744	538,730	0.8%	1,158
Harpeth Ridge Fire Dist.	0.1073	2,774,572	-	0.0%	-
Henrietta Fire Dist.	0.215	86,110,822	1,466,540	1.7%	3,153
Kingston Springs R.F.	0.2	107,942,827	919,764	0.9%	1,840
Pegram Fire District	0.31	58,996,818	556,680	0.9%	1,726
Pegram R.F.	0.31	33,707,269	114,769	0.3%	356
Pleasant View R.F.	0.215	235,758,664	2,413,341	1.0%	5,189
Two Rivers Fire Dist.	0.215	69,824,740	1,048,148	1.5%	2,254
Henderson Co Fire District	0.19	260,921,415	4,073,356	1.6%	7,106
TOTAL	0.9994	\$ 2,049,207,783	\$ 102,489,547	5.0%	\$ 1,024,277

Source: Tennessee Comptroller of the Treasury 2021 and TACIR staff calculations.

*Estimated personal property tax revenue is calculated from property tax rates, personal property tax assessments, and equalization factors.

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Appendix H: 50 States' Constitutional Requirements for Personal Property Taxes and Exemptions for Small Accounts

State	Is Personal Property Taxation Permitted, Required, or Not Mentioned by the State Constitution?	Constitutional/ Statutory Exemptions Exist For:	Qualifying Amount for Exemption, If Applicable	Constitution/Statute Reference	Note
Alabama	Required	Exemption for All Accounts	\$40,000	Alabama Constitution Article XI, Section 217. Alabama Code 40-9-1(27).	Exemption is optional for local levies.
Alaska	Permitted	Exemption for Small Accounts	\$20,000 (Anchorage)	Alaska Const. Art. IX, § 4; Sec. 29.45.010. Property tax.	Exemptions are at municipal discretion.
Arizona	Permitted	Exemption for All Accounts	\$207,366	A.R.S. Const. Art. IX, § 2; A.R.S. §§ 42-11002 and 42-11127	Exemption qualifying amount indexed to inflation; figure cited is for 2022.
Arkansas	Required	No Exemptions for Small Accounts or Small Value Items	N/A	Ark. Const. Art. 16, § 5	
California	Permitted	Exemption for Small Accounts	\$50,000	Cal Const, Art. XIII § 2; Cal. Rev. & Tax. Code § 155.20	Statutory law grants local boards of supervisors discretion to exempt personal property where the value would be less than the cost of collection.

State	Is Personal Property Taxation Permitted, Required, or Not Mentioned by the State Constitution?	Constitutional/ Statutory Exemptions Exist For:	Qualifying Amount for Exemption, If Applicable	Constitution/Statute Reference	Note
Colorado	Required	Exemption for Small Accounts	\$50,000	Colo. Const. Art. X, Section 3; C.R.S. 39-3-119.5	Qualifying amount is indexed to inflation starting in 2023.
Connecticut	Not Mentioned	No Exemptions for Small Accounts or Small Value Items	N/A	Conn. Gen. Stat. § 12-71	Mechanic's tools and commercial fishing apparatus are exempt to the value of \$500.
Delaware	Not Mentioned	No personal property tax	N/A	No personal property tax	
Florida	Required	Exemption for All Accounts	\$25,000	Fla. Const. Art. VII, § 2; Fla. Stat. § 196.183	A proposed constitutional amendment to be voted on in November 2022 would raise the qualifying amount to \$50,000.
Georgia	Required	Exemption for Small Accounts	\$7,500	Ga. Const. Art. VII, § I, Para. III; O.C.G.A. § 48-5-42.1	Most motor vehicles, tools (up to \$2,500), and domestic animals (up to \$300) are exempted.
Hawaii	Not Mentioned	No personal property tax	N/A	No personal property tax	Industrial machinery is taxed as real property.

State	Is Personal Property Taxation Permitted, Required, or Not Mentioned by the State Constitution?	Constitutional/ Statutory Exemptions Exist For:	Qualifying Amount for Exemption, If Applicable	Constitution/Statute Reference	Note
Idaho	Required	Exemptions for All Accounts and Small Value Items	\$250,000 (accounts); \$3,000 (items)	Idaho Const. Art. VII, § 5; Idaho Code § 63-602KK	Items acquired for less than \$3,000 are exempt.
Illinois	Not Mentioned	No personal property tax	N/A	No personal property tax	
Indiana	Required	Exemption for Small Accounts	\$80,000	Ind. Const. Art. 10, § 1; Burns Ind. Code Ann. § 6-1.1-3-7.2	
Iowa	Not Mentioned	No personal property tax	N/A	No personal property tax	
Kansas	Required	Exemption for Small Value Items	\$1,500	Kan. Const. Art. 11, § 1	Equipment purchased for less than \$1,500 when new is exempt.
Kentucky	Required	No Exemptions for Small Accounts or Small Value Items	N/A	Ky. Const. § 171	
Louisiana	Required	No Exemptions for Small Accounts or Small Value Items	N/A	La. Const. Art. VII, § 18	
Maine	Permitted	No Exemptions for Small Accounts or Small Value Items	N/A	Me. Const. Art. IX, § 8; 36 M.R.S. §§ 691 - 700-B	Some types of business equipment are exempt from personal property taxes.

State	Is Personal Property Taxation Permitted, Required, or Not Mentioned by the State Constitution?	Constitutional/ Statutory Exemptions Exist For:	Qualifying Amount for Exemption, If Applicable	Constitution/Statute Reference	Note
Maryland	Permitted	No Exemptions for Small Accounts or Small Value Items	N/A	Md. Const. Art. III, § 51; Md. Tax-Property Code Ann. §§ 7-201 – 7-248	Personal property located in a residence is exempt to \$20,000.
Massachusetts	Required	Exemption for Small Accounts	\$10,000	ALM Constitution Pt. 2, Ch. I, Sec. I, Art. IV; ALM GL ch. 59, §§ 2 and 5	Local option for exemption, but qualifying amount may not exceed \$10,000. Mechanic's tools are exempt, and fishing equipment is exempt to \$50,000.
Michigan	Required	Exemption for Small Accounts	\$80,000	MCLS Const. Art. IX, § 3; MCLS § 211.9o	Michigan intended to phase out its personal property tax by 2024.
Minnesota	Required	Not Assessed Locally	N/A	Minn. Const., Art. X, § 1	
Mississippi	Required	No Exemptions for Small Accounts or Small Value Items	N/A	Miss. Const. Ann. Art. 7, § 181	
Missouri	Permitted	No Exemptions for Small Accounts or Small Value Items	N/A	Mo. Const. Art. X, § 3	

State	Is Personal Property Taxation Permitted, Required, or Not Mentioned by the State Constitution?	Constitutional/ Statutory Exemptions Exist For:	Qualifying Amount for Exemption, If Applicable	Constitution/Statute Reference	Note
Montana	Required	Exemption for All Accounts	\$300,000	Mont. Const., Art. VIII § 1; MCA 15-6-138	\$300,000 qualifying amount for certain types of business property; lower amounts apply to different classes of property.
Nebraska	Required	No Exemptions for Small Accounts or Small Value Items	N/A	Ne. Const. Art. VIII, § 1	An exemption for all accounts on the first \$10,000 was repealed in 2020. Some investment incentives are available. See R.R.S. Neb. § 77-4105.
Nevada	Required	Exemption for Small Accounts	\$12	Nev. Const. Art. 10, § 1; NRS 361.068	Qualifying amount varies according to results of an annual survey. Accounts whose tax bill falls below the amount do not need to pay.
New Hampshire	Permitted	Not Assessed Locally	N/A	N.H. Const. Pt. SECOND, Art. 5; RSA 72:23	Personal property used by utilities, including machinery, is taxed as real property.

State	Is Personal Property Taxation Permitted, Required, or Not Mentioned by the State Constitution?	Constitutional/ Statutory Exemptions Exist For:	Qualifying Amount for Exemption, If Applicable	Constitution/Statute Reference	Note
New Jersey	Permitted	Not Assessed Locally	N/A	N.J. Const., Art. VIII, Sec. I, Para. 1; N.J. Stat. §§ 54:4-3 — 54:4-4	
New Mexico	Permitted	No Exemptions for Small Accounts or Small Value Items	N/A	N.M. Const. Art. VIII, § 1	
New York	Not Mentioned	No personal property tax	N/A	No personal property tax	
North Carolina	Permitted	No Exemptions for Small Accounts or Small Value Items	N/A	N.C. Const. Art. V, § 2	
North Dakota	Permitted	Not Assessed Locally	N/A	N.D. Const. Art. X, § 5; N.D. Cent. Code, § 57-02-08	North Dakota statute exempts all personal property from taxation except for a few minor exceptions including oil and gas refineries.
Ohio	Not Mentioned	No personal property tax	N/A	No personal property tax	
Oklahoma	Permitted	No Exemptions for Small Accounts or Small Value Items	N/A	Okl. Const. Art. 10, § 5	

State	Is Personal Property Taxation Permitted, Required, or Not Mentioned by the State Constitution?	Constitutional/ Statutory Exemptions Exist For:	Qualifying Amount for Exemption, If Applicable	Constitution/Statute Reference	Note
Oregon	Permitted	Exemption for Small Accounts	\$17,000	Ore. Const. Art. XI, § 11; ORS § 308.250	Qualifying amount is indexed to inflation.
Pennsylvania	Not Mentioned	No personal property tax	N/A	No personal property tax	
Rhode Island	Permitted	No Exemptions for Small Accounts or Small Value Items	N/A	R.I. Const. Art. VI, § 12; R.I. Gen. Laws § 44-3-1 and 3.	There are exemptions for manufacturing equipment and for businesses in some cities (e.g. Bristol).
South Carolina	Permitted	No Exemptions for Small Accounts or Small Value Items	N/A	S.C. Const. Ann. Art. X, § 1	
South Dakota	Required	Not Assessed Locally	N/A	S.D. Const. Article XI, § 5	
Tennessee	Required	No Exemptions for Small Accounts or Small Value Items	N/A	Tenn. Const. Art. II, § 28	
Texas	Required	Exemption for Small Accounts	\$2,500	Tex. Const. Art. VIII, § 1; Tex. Tax Code § 11.145	
Utah	Required	Exemptions for Small Accounts and Small Value Items	\$25,000 (accounts); \$500 (items)	Utah Const. Art. XIII, § 2; Utah Code Ann. § 59-2-1115	Items "not critical to the actual business operation of the business" are exempt.

State	Is Personal Property Taxation Permitted, Required, or Not Mentioned by the State Constitution?	Constitutional/ Statutory Exemptions Exist For:	Qualifying Amount for Exemption, If Applicable	Constitution/Statute Reference	Note
Vermont	Not Mentioned	No Exemptions for Small Accounts or Small Value Items	N/A	--	
Virginia	Required	No Exemptions for Small Accounts or Small Value Items	N/A	Va. Const. Art. X, § 1	
Washington	Required	Exemption for Small Accounts	\$500	Wash. Const. Art. VII, § 1; Rev. Code Wash. (ARCW) § 84.36.015	
West Virginia	Required	No Exemptions for Small Accounts or Small Value Items	N/A	W. Va. Const. Art. X, § 1	Agricultural personal property is exempt.
Wisconsin	Required	No Exemptions for Small Accounts or Small Value Items	N/A	Wis. Const. Art. VIII, § 1	Manufacturing equipment and computers are exempt.
Wyoming	Permitted	No Exemptions for Small Accounts or Small Value Items	N/A	Wyo. Const. Art. 15, § 11	