

SENATE BILL 2289

By Bell

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 5, Part 2, relative to property owned by  
religious institutions.

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

SECTION 1. Tennessee Code Annotated, Section 67-5-212, is amended by adding the following language as a new subsection:

( )

(1) There shall be exempt from property taxation the real and personal property, or any part thereof, that is owned by a religious institution and that is occupied and used by such institution for a coffee shop; provided, that:

(A) The institution is exempt from payment of federal income taxes under § 501(c)(3) of the Internal Revenue Code, codified in 26 U.S.C. § 501(c)(3);

(B) The coffee shop is located on real property owned by the institution that is otherwise exempt from property taxation pursuant to this section;

(C) The coffee shop is operated primarily by volunteers; and

(D) The net proceeds of the coffee shop are used solely for the religious purposes of the institution that owns and operates the shop.

(2) As used in this subsection, "coffee shop" means an establishment that sells food and non-alcoholic beverages. "Coffee shop" also includes an establishment that sells items other than food and non-alcoholic beverages if the sale of other items is less than fifty percent (50%) of the establishment's total annual sales.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to tax years beginning on or after January 1, 2018.