AN ACT to amend Tennessee Code Annotated, Title 66, Chapter 5, Part 1 and Title 67, Chapter 4, Part 4, relative to transfer tax.

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

SECTION 1. Tennessee Code Annotated, subdivision 67-4-409(a)(4), is amended by deleting the subdivision in its entirety and substituting instead the following:

In the case of quitclaim deeds, the tax must be based only on the actual consideration given for that conveyance. A deed is treated as a quitclaim deed for taxation purposes under this section if the deed contains language substantially similar to the form for quitclaim deeds as provided for in § 66-5-103(2), and only conveys the grantor's interest, whatever that may be, to the grantee. A deed that contains language evidencing an intent to convey a deed in fee with general warranty substantially similar to the form provided for in § 66-5-103(1)(A) must be taxed as provided in subdivision (a)(1);

SECTION 2. Tennessee Code Annotated, Section 67-4-409(a), is amended by redesignating the existing language as subdivision (a)(1) and adding the following as a new subdivision (2):

(2) Nothing in this subsection (a) affects the validity of the underlying transfer or conveyance.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.
HOUSE BILL NO. 2196

PASSED: March 31, 2022

Cameron Sexton, Speaker
House of Representatives

Randall McNally
Speaker of the Senate

Approved this 19th day of April 2022

Bill Lee, Governor