

PERSONAL PROPERTY TAXES (6-91)

(a) It is understood and agreed by the parties hereto that while the legal incidence of the personal property tax applicable to the leased property is on the lessee under Tennessee Code Annotated § 67-5-502(c) and § 67-702(a)(8), the lessor shall be responsible for payment of such taxes to the appropriate taxing authority. The lessor shall include such taxes as a part of the cost of this lease and shall pay such taxes to the appropriate taxing authority in accordance with the following procedures which are in substance the same as those promulgated by the State Board of Equalization of the State of Tennessee:

(1) The lessor must notify in writing the property assessor in the county in which the lessor's property is located that the lessor intends to report the subject property on the lessee's behalf.

(2) The lessor must identify to the assessor all leases for whom the lessor will report. The assessor will prepare a blank reporting schedule in the lessee's name in care of the lessor, assigning a unique personal property identification number for the report. In the case of counties on the CAAS III system, the number assigned will be the lessee's number plus a special interest code.

(3) Assessors will mail the personal property reporting schedules for leased personal property to the lessor.

(4) The lessor may report leased personalty on behalf of the lessee using the form provided by the assessor or an alternative acceptable to the assessor which identifies and values the property and identifies the lessee. The lessor's report must reference the parcel identification number assigned to the leased personalty by the assessor.

(5) A separate tax bill will be prepared for each lessee, but the lessor reporting on a lessee's behalf may make one payment to a jurisdiction reflecting taxes for all parcels for which the lessor is reporting. The lessor must include a copy of the tax billing or a listing of the lessees and parcel identification numbers.

(b) Any questions or requests for further information may be directed to:

Mr. Robert Lee, Staff Attorney
State Division of Property Assessments
505 Deaderick Street, Suite 1400
Nashville, Tennessee 37219
Telephone No. (615) 741-2837