

**67-5-1101. Stock assessed as personalty of stockholders. —**

The shares of stock of stockholders of any loan company, or investment company, or cemetery company, shall be assessed and taxed for state, county and municipal purposes as the personal property of the stockholders, whether they reside within or without the state; provided, that the assessment of such shares of stock as the property of the stockholders shall be in lieu of any assessment or taxation of the capital stock or corporate property of such corporation; and provided further, that the aggregate tax on all shares of stock in any one (1) corporation shall be reduced by the amount of tax paid by such corporation under chapter 4, part 7 of this title, known as the "Business Tax Act." Notwithstanding the foregoing, no tax under this part shall be imposed on the shares of stock of any person registered as a broker or a dealer under § 3(a) (4) or (5) of the Securities Exchange Act of 1934, 15 U.S.C. § 78c(a)(4) or (a)(5), or any successor provision, regardless of any related or incidental activities carried on by such person in connection with its business as a broker or a dealer.

[Acts 1907, ch. 602, § 24; Shan., § 790; Acts 1927, ch. 39, § 1; Code 1932, § 1391; Acts 1968, ch. 431, § 8; 1977, ch. 140, § 2; T.C.A. (orig. ed.), § 67-715; Acts 2000, ch. 870, § 2.]

**67-5-1102. Valuation of stock. —**

(a) Shares of stock assessable under § [67-5-1101](#) shall be assessed at the actual cash value of same, less the appraised value of realty and appraised value of personal property otherwise assessed or returned for taxation, and all such property on which the corporation pays the taxes so assessed.

(b) The value of shares of stock shall be computed by looking to and considering the rate of valuation of real and personal property made by the same taxing authority of real and personal property in the place, ward or district of the town or county where the assessment is made, and all assessments shall make uniform the rate of valuation of the shares of stock so assessed with other real and personal property in the same place, ward or district of the town or county where the assessment is made.

[Acts 1907, ch. 602, § 24; Shan., § 790; Acts 1927, ch. 39, § 1; Code 1932, § 1391; Acts 1953, ch. 118, § 1; 1977, ch. 140, § 3; T.C.A. (orig. ed.), § 67-716.]

**67-5-1103. Deduction of property otherwise assessed. —**

Real estate and personal property of any corporation, company or association defined in § [67-5-1101](#), whether owned directly or indirectly through another entity or entities, shall be assessed in the same manner and where situate, as other real estate and personal property; but in computing assessable value of such shares of stock, the appraised value of such realty and the appraised value of such personal property otherwise assessed or returned for taxation shall be deducted from the value of the shares of stock, and the remaining value constitutes the value upon which the assessment shall be made.

[Acts 1907, ch. 602, § 24; Shan., § 709a1; Acts 1927, ch. 39, § 1; Code 1932, § 1392; Acts 1971, ch. 434, § 1; 1977, ch. 140, § 4; T.C.A. (orig. ed.), § 67-717.]

**67-5-1104. Place of assessment. —**

Assessments of shares of stock under this part shall be made at the place, ward or

district of the town or county in which the corporation, association or company is located.

[Acts 1907, ch. 602, § 24; Shan., § 790a3; Acts 1927, ch. 39, § 1; Code 1932, § 1393; T.C.A. (orig. ed.), § 67-718.]

**67-5-1105. Contents of assessment schedule — Reporting schedule — Forced assessment — Remedies. —**

(a) The president or business manager of any corporation, association or company governed by this part is required to fill out and furnish upon oath to the assessor an assessment schedule in writing, which schedule shall contain the following information:

(1) The amount of capital invested in the business excluding reserves set aside by the corporation which are required to be set aside, including amounts charged off under federal income tax regulations, to provide for anticipated, accrued or contingent liabilities of the corporation;

(2) The shares of stock outstanding, with the name and residence of the shareholder;

(3) The market value; and if no market value, the actual value of the shares of stock, and what the shares of stock can be sold for on the market;

(4) The amount of dividends for the last two (2) years, and amount of surplus and undivided profits, if any;

(5) A certified copy of the assessed value of the real estate and tangible personalty and where situate; and

(6) Such other facts pertaining to the value of the shares of stock as may be demanded or deemed material by the assessor.

(b) The assessor shall furnish by February 1 a reporting schedule in a form approved by the state board of equalization to each company subject to assessment under this part, and the schedule shall be completed and returned by the company by March 1 of the year for which the assessment is to be made. A taxpayer who fails, refuses or neglects to complete, sign and file the schedule with the assessor of property, as provided in subsection (a), shall be deemed to have waived objections to the forced assessment determined by the assessor, subject only to the remedies provided in subsection (c). In determining a forced assessment, the assessor shall consider available evidence indicative of the assessable value of property assessable to the taxpayer under this section, and having determined the assessable value of property assessable to the taxpayer under this section, the assessor shall give the taxpayer notice of the assessment by United States mail, addressed to the last known address of the taxpayer, or the taxpayer's agent, at least ten (10) calendar days before the local board of equalization commences its annual session.

(c) If a forced assessment is shown to exceed the assessable value of the taxpayer's property, then the taxpayer shall have the following remedies:

(1) The taxpayer may appeal to the county board of equalization pursuant to § [67-5-1407](#), but must present a completed schedule as otherwise provided in this section;

(2) If the deadline to appeal to the county board of equalization has expired, then

the taxpayer may request the assessor to mitigate the forced assessment to the extent it is shown to exceed the assessable value of the taxpayer's assessable property by twenty-five percent (25%) or more, so long as the failure to file the schedule or failure to timely appeal to the county board of equalization was not the result of gross negligence or willful disregard of the law. Mitigation of the forced assessment shall follow the procedure provided and be subject to the deadlines provided in § [67-5-509](#). Gross negligence shall be presumed if notice of the forced assessment, in a form approved by the state board of equalization, was sent certified mail, return receipt requested, to the taxpayer's last known address on file with the assessor.

**(d)** Whether or not an assessor's error affected the original assessment, the assessor may correct a forced assessment using the procedure provided and subject to the deadlines provided in § [67-5-509](#), upon determining that the taxpayer was not in business as of the assessment date for the year at issue, and upon determining that the taxpayer did not own property assessable pursuant to this part as of the assessment date for the year at issue.

**(e)** The taxpayer may amend a schedule timely filed with the assessor in the same manner provided for tangible personal property returns.

[Acts 1907, ch. 602, § 24; Shan., § 791; Acts 1927, ch. 39, § 1; Code 1932, § 1394; Acts 1953, ch. 118, § 2; T.C.A. (orig. ed.), § 67-720; Acts 2008, ch. 1069, § 1.]

**67-5-1106. List of stockholders. —**

There shall be kept at all times in the office where the business of such corporation included in this part and organized under the authority of this state or of the United States shall be transacted, a full and correct list of the names and residences of the stockholders therein and the number of shares held by each, and such list shall be subject to the inspection of the officers authorized to assess taxes during the business hours of each day on which business may be legally transacted.

[Acts 1907, ch. 602, § 24; Shan., § 792; Code 1932, § 1400; Acts 1977, ch. 140, § 5; T.C.A. (orig. ed.), § 67-721.]

**67-5-1107. Assessor's powers in obtaining evidence. —**

The assessor has the full power to summon witnesses, to inspect or require the production of books and papers, and obtain and consider any evidence, other than the schedule filed in accordance with § [67-5-1105](#), which the assessor may deem proper or necessary.

[Acts 1907, ch. 602, § 24; Shan., § 791a1; Code 1932, § 1395; T.C.A. (orig. ed.), § 67-722.]

**67-5-1108. Capital not divided into shares. —**

For the purpose of this part and for taxation, when the capital is not divided into shares of stock, each one hundred dollars (\$100) of the capital invested shall be held as one (1) individual share, and such shares are defined and declared to be the personal property assessable at the actual cash value of same.

[Acts 1907, ch. 602, § 24; Shan., § 791a2; Code 1932, § 1396; T.C.A. (orig. ed.), § 67-723.]

**67-5-1109. Report of partners' interests. —**

If the president or business manager has a partner or partners, the president or

business manager shall, upon the president's or business manager's oath, furnish to the assessor in writing the number of shares, ascertained as above provided, held or owned by such partner or partners in the business, which shares so held shall be assessed where the business is located as specified in § [67-5-1104](#).

[Acts 1907, ch. 602, § 24; Shan., § 791a3; Code 1932, § 1397; T.C.A. (orig. ed.), § 67-724.]

**67-5-1110. Payment of tax by head of firm. —**

The president or manager shall pay the tax so levied and make the amount so paid a charge against such partner or partners. The president or manager shall be held to be the sole owner of all the shares in the business, the same to be assessed at the place specified in § [67-5-1104](#).

[Acts 1907, ch. 602, § 24; Shan., § 791a4; Code 1932, § 1398; T.C.A. (orig. ed.), § 67-725.]

**67-5-1111. Collection from nonresidents by attachment. —**

When the owner of stock in any corporation included in the provisions of this part, organized under the laws of this state or the United States, does not reside in the same county where the bank or corporation or association is located, or is a nonresident of this state, the revenue collector for the state, county or municipality shall, respectively, have the power to collect the tax assessed by this part by instituting attachment proceedings, and such tax shall be and remain a prior lien on the stock until the payment of the same.

[Acts 1907, ch. 602, § 24; Shan., § 792a1; Code 1932, § 1401; Acts 1977, ch. 140, § 6; T.C.A. (orig. ed.), § 67-726.]

**67-5-1112. Payment of tax by corporation. —**

For the purpose of collecting such taxes, and in addition to any other laws of this state relative to the imposition and collection of taxes, it is the duty of such corporation to pay the taxes due upon such stock, regardless of any dividend or earnings belonging to such stockholder, a prior lien being declared on all such stock, on and after January 10 of each year, and the corporation shall be subrogated to such prior lien for the purpose of enforcing repayment of any taxes that may be so paid for the account of any such stockholder.

[Acts 1907, ch. 602, § 24; Shan., § 792a2; Code 1932, § 1402; T.C.A. (orig. ed.), § 67-727.]

**67-5-1113. Attachment of stock. —**

If the taxes on such shares shall not be paid by such corporation, then the state, county, or municipality may, after such tax may have become delinquent, proceed to collect the same by attachment on the shares of stock specified in § [67-5-1101](#) in any court of competent jurisdiction, through counsel to be employed for that purpose.

[Acts 1907, ch. 602, § 24; Shan., § 792a3; Code 1932, § 1403; T.C.A. (orig. ed.), § 67-728.]