



RAMSEY FARRAR RUSSELL & SMITH
GOVERNMENT RELATIONS

Tennessee Weekly Legislative Update, 3/4 – 3/8, 2024

Getting Closer to a New Supreme Court Justice

The House and Senate are scheduled to hold a joint convention Monday, March 11 at 5:30 pm for the purposes of confirming Governor Lee's appointee to the Tennessee Supreme Court, Judge Mary Wagner, to the Tennessee Supreme Court.

Judge Wagner is currently a circuit court judge for the 30th Judicial District, which covers Shelby County. She previously served as an associate at Rice, Amundsen & Caperton, PLLC and taught as an adjunct professor at The University of Memphis School of Law.

Judge Wagner earned her bachelor's degree at the University of Colorado at Boulder and J.D. at the University of Memphis School of Law. She will fill a vacancy created by the retirement of Justice Roger A. Page, effective August 31.

Diving into the Governor's Franchise & Excise Tax Reform

Governor Lee is bringing forth legislation to rewrite the state's franchise and excise tax laws amidst threatened lawsuits from several businesses alleging the state is not compliant in its f&e tax collection. Department of Revenue Commissioner, David Gerragano presented a deeper dive into the legislation to the Senate Revenue Subcommittee this week.

Currently the franchise tax law is written so that a company pays taxes on its net worth or the amount of property it owns in Tennessee — whichever is greater. The legislation would repeal the property tax portion of the franchise tax. That is estimated to save business owners — and lose the state — about \$400 million annually. Gerregano said taxing net worth alone is consistent with how the tax is administered in several other states, and he believes Tennessee is the only state that still has the property tax measure.

The legislation would also establish a fund for reimbursements for any taxpayers who overpaid based on property tax over the past three years. The Department of Revenue will set aside \$1.5 Billion for tax refunds.

Education Freedom Scholarships

Governor Lee's Education Freedom Scholarship Proposal passed the full committees in the House and Senate on Wednesday – still in separate forms in both chambers.

The House Education Administration Committee passed its [amended version](#) after a more than four-hour meeting on Wednesday by a 12-7 vote.

The Senate Education Committee passed its [amended version](#) by a vote of 7-1 and 1 not voting.

The next stops for the bill are the House Government Operations Committee and the Senate Finance Committee.