



Franchise Tax Schedule G Refunds

Tax Webinar: May 7, 2024

Information is current as of the date presented and may not reflect legislative and other subsequent changes. For the most up-to-date information, please refer to our [published tax manuals](#) and [Revenue Help articles](#). Additionally, you can find legislative summaries by year/tax type [here](#).

Thanks for joining us!

We will begin at 9:00 am (CST)

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The webinar recording will be posted in the "Webinar Video Library" the day after the event.

➤ **Please submit specific account-related questions or any questions that do not get addressed in this webinar to us directly!**

- www.tn.gov/Revenue
- Revenue.support@tn.gov
- 615.253.0600 (M-F 8-4:30 CST)



Overview

Recently passed legislation repeals the property measure (Schedule G) from the TN franchise tax and authorizes special refunds for 2020-2023 to be paid to requesting taxpayers who paid TN franchise tax on the property measure.

- **ABOUT THE NEW LAW**
- **DEMO: AMENDING THE RETURN & THE REFUND PROCESS**
- **RESOURCES**
- **Q&A**

SB2103 / HB1893

- Eliminates the property measure from the franchise tax calculation for tax years ending on or after January 1, 2024
- Authorizes the Department to issue franchise tax refunds to eligible taxpayers for a specific period of time
- The prior law applies to tax year 2023. For tax years ending on or before December 31, 2023, taxpayers must complete both Schedule F (net worth) and Schedule G (property), then calculate the franchise tax due based on the greater of the two alternative tax bases.

Who is Eligible for a Refund?

- Taxpayers who paid the franchise tax on the property measure (Schedule G) on a return filed on or after January 1, 2021, covering a tax period that ended on or after March 31, 2020
- The Department is sending letters to taxpayers we have identified as potentially being eligible
- We encourage you to review your records and/or consult a tax professional to determine if you qualify
- Taxpayers will be eligible for a refund that equals the amount of franchise tax paid based on the property measure (Schedule G) minus the amount of franchise tax that would have been paid based on the net worth measure (Schedule F) for the same tax year.

Refund Procedure

- Refund claims must be submitted between **May 15 – November 30, 2024**
- Claims must be filed using this 2-step process:
 1. Amend the return(s) for the period(s) to be included in the refund
 - Report franchise tax on the amended refunds using net worth (Schedule F)
 2. Submit the Claim for Refund of Franchise Tax Paid on Property Measure (Schedule G) form
 - The standard claim for refund form **will not** be accepted for this purpose
- The Department strongly encourages taxpayers to amend returns and file a claim form electronically in TNTAP
 - If you are unable to file electronically, you may submit a paper amended return and a paper refund claim form

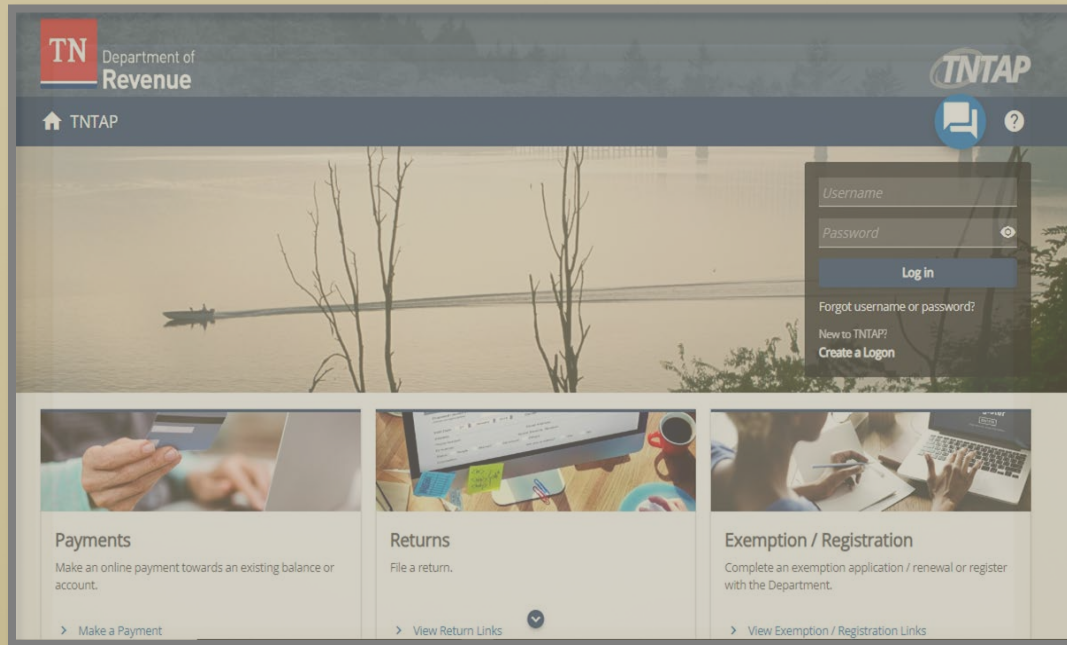
Conditions of Accepting a Refund

- The law requires that taxpayers accepting a refund:
 1. Acknowledge that their name and the applicable range corresponding to the amount of their refund will be published on the department's website
 - The ranges are as follows:
 - \$0.01 - \$750
 - \$750.01 - \$10,000
 - \$10,000.01 and more
 - The names of taxpayers with refunds still pending on May 31, 2025 will also be published on the website with the range omitted and designated as “pending”
 - This information will be published from May 31 – June 30, 2025
 2. Waive all claims and rights of action in any court, state or federal, against the Tennessee Department of Revenue, Commissioner of Revenue, State of Tennessee, or its employees, based on any theory that the franchise tax in Title 67, Chapter 4, Part 21, or any provision of Part 21, including T.C.A. § 67-4-2108, as that Part and those provisions existed before the enactment of SB2103/HB1893 (2024), is unconstitutional by failing the internal consistency test.

Franchise Tax Returns for Tax Year 2023

- For returns filed for tax years ending on or before December 31, 2023, taxpayers must complete Schedule G and calculate franchise tax based on the greater of Schedule F net worth or Schedule G property.
- Taxpayers who pay franchise tax based on Schedule G property may then request a refund of franchise tax using the Claim for Refund of Franchise Tax Paid on Property Measure (Schedule G) form.
- Tax year 2023 refund claims must include this special refund claim form to ensure taxpayers are complying with the new law's requirements related to the disclosure of taxpayer names and the waiver of certain legal rights.

TNTAP LIVE DEMO



Resources

- [Schedule G Tax Refund Webpage](#)
- **Franchise & Excise Tax Practitioner Support**
 - (615) 253-0700
 - Revenue.support@tn.gov
- **Status of Refund**
 - FAE.AuditHelp@tn.gov
- [Franchise & Excise Tax Manual](#)
- [Franchise & Excise Tax General Webpage](#)
- [Important Notice #24-05](#) - Franchise Tax Property Measure Repeal

Questions



Recap/Best Practices

- Before May 15, 2024, do not amend your franchise and excise tax returns or submit a refund claim on this issue.
- Refund claim period is open May 15 – November 30, 2024
 - Two-step process: (1) amend return(s) and (2) submit a refund claim form
 - Waiting until November 30 to apply is not recommended
- When amending franchise tax returns for this purpose, only amend to zero out Schedule G. Do not make any other changes *unless net worth needs to be added on Schedule F*.
- For the quickest processing time, amend returns and file the claim form in TNTAP.

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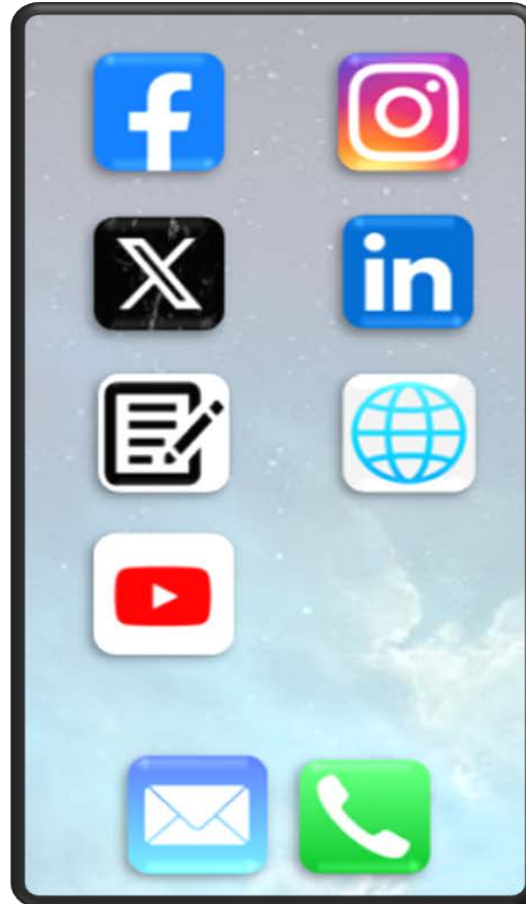
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615.253.0600**

**F&E Tax Practitioner
615.253.0700**

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[All Dept. of Revenue Contact Numbers and Office Locations](#)



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 - 6/25 – Tax Issues for Automobile Dealers
- **New Business Workshop: 7/10/24**



Taxpayer Education & Outreach



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