

TENNESSEE STATE BOARD OF EQUALIZATION

DETERMINING PROPERTY TAX EXEMPTION EFFECTIVE DATES

The effective date for property tax exemptions is determined on the basis of T.C.A. §67-5-212(b)(3), which reads as follows:

Any institution claiming an exemption under this section which has not previously filed an application for and been granted an exemption for a parcel must file an application for exemption with the state board of equalization by **May 20 of the year for which exemption is sought**. If the application is approved, the exemption will be effective as of January 1 of the year of application or as of the date the exempt use of such parcel began, whichever is later. If **application is made after May 20 of the year for which exemption is sought**, but prior to the end of the year, the application may be approved but will be effective for only a portion of the year determined as follows:

- (i) **If application is filed within thirty (30) days after the exempt use of the property began, exemption will be effective as of the date the exempt use began or May 20, whichever is later; or**
- (ii) **If application is filed more than thirty (30) days after the exempt use began, the exemption will be effective as of the date of application.**

(B) If a religious institution acquires property that was duly exempt at the time of transfer from a transferor who had previously been approved for a religious use exemption of the property, or if a religious institution acquires property to replace its own property exempt property, then the effective date of exemption shall be three (3) years prior to the date of application, or the date the acquiring institution began to use the property for religious purposes, whichever is later.

The purpose of this subdivision (b)(3) is to provide continuity of exempt status for property **transferred** from one exempt religious institution to another in the specified circumstances.

For purposes of the subdivision (b)(3), **property transferred by a lender following foreclosure shall be deemed to have been transferred by the foreclosed debtor, whether or not the property was assessed in the name of the lender during the lender's possession.**

Although a party has the right to appeal the indicated effective date of an exemption, please keep in mind that the State Board of Equalization is bound by the terms of the quoted statute. To initiate an appeal a party must complete the appeal forms in triplicate, submit the appropriate fee, and return them to this office within ninety (90) days from the date of the initial determination letter. A hearing will be scheduled before an administrative judge. Parties to the hearing may appeal to be heard in person or be represented by an attorney.

The form and fee schedule will be provided upon written request to this office. You may also download them from the Board's website <http://www.comptroller1.state.tn.us/SBOE/sbexempt.asp>.

The address is State Board of Equalization, James K. Polk State Office Building, 505 Deaderick Street, Suite 1700, Nashville, Tennessee 37243-1402. The telephone number is (615)-401-7883.