

**RULES  
OF  
STATE BOARD OF EQUALIZATION**

**CHAPTER 0600-08  
PROPERTY TAX EXEMPTIONS**

**TABLE OF CONTENTS**

0600-08-.01	Application Form and Fees	0600-08-.03	Criteria for Exemption of Medical Clinics
0600-08-.02	Criteria for Exemption of Land		

**0600-08-.01 APPLICATION FORM AND FEES.**

- (1) Persons applying for property tax exemption shall apply on a form approved by the Board and pay a fee to defray the expense of processing the application, as provided in this rule. The fee shall be proportionate to the value of the property as estimated by staff based on available information. The fee shall be thirty dollars (\$30) for property valued at less than \$100,000, forty-two dollars (\$42) for property valued from \$100,000 to less than \$250,000, sixty dollars (\$60) for property valued from \$250,000 to less than \$400,000, and one hundred twenty dollars (\$120) for property valued at \$400,000 or more. The fee shall be due upon the filing of the application.
- (2) If the Board determines that the cost associated with processing exemption applications in a given year was less than the amount of fees paid, the excess of fees paid over cost shall be refunded ratably to each payor during the year.
- (3) Notwithstanding the value of the property which is the subject of an application, the minimum fee only shall be due when application is made for exemption of property that is exempt at the time of transfer and is being transferred between affiliated institutions with no change in use.

**Authority:** T.C.A. §§ 67-1-305 and 67-5-212(b). **Administrative History:** Original rule filed April 30, 2004; effective July 14, 2004. Amendment filed February 1, 2011; to have been effective May 2, 2011. On April 29, 2011, the Government Operations Committee filed a 15 day stay of the rule; new effective date May 17, 2011. Amendment filed December 12, 2012; effective March 12, 2013.

**0600-08-.02 CRITERIA FOR EXEMPTION OF LAND.**

- (1) The purpose of this rule is to establish criteria for determining eligibility of land for religious, charitable, educational or scientific exemption from property taxes.
- (2) Land must be in actual use for exempt purposes of the exempt institution before it may qualify for exemption. Land will be presumed to be in use if:
  - (a) It is land underlying exempt structures or paving;
  - (b) If the total land area claimed for exemption, including that which is underlying exempt structures, is five acres or less; or
  - (c) If the land exceeds the foregoing measures but is nevertheless necessary to meet government health, planning, or other requirements for configuration or minimum area prior to granting of any variance. In the absence of locally adopted zoning standards, resort may be had to requirements imposed for similar structures in nearby communities that impose zoning requirements or to zoning requirements

(Rule 0600-08-.02, continued)

recommended by a model generally accepted or used in this state. For purpose of this presumption the minimum area thus determined will be multiplied by a factor of 1.5.

- (3) The presumption in this rule is rebuttable. The assessor or taxing jurisdiction may rebut the presumption by proving that vacant land otherwise within the presumption is not being used for exempt purposes or is being offered for sale as a tract separate from the remaining land in use. The applicant for exemption may rebut the presumption by proving that vacant land which would be denied exemption under the presumption, is in fact being regularly used for exempt purposes qualifying for exemption in accordance with law.
- (4) Land held solely for future construction or other future uses does not qualify for exemption. Land that is held solely or primarily for its preservation, conservation, protection, or its scientific or ecological significance will not be eligible for exemption under T.C.A. § 67-5-212 unless and to the extent there is a clear showing of active research or other active exempt use taking place on the subject property.
- (5) Land held by a religious institution solely or primarily for solitary or individual reflection, prayer, or meditation will not be eligible for exemption under T.C.A. § 67-5-212 unless and to the extent there is a clear showing of active and persistent use by the organization, its members, congregants, or other persons authorized to use the property.
- (6) As used in T.C.A. § 67-5-212, parsonage means a residence owned by a religious institution where a full-time regular minister resides.

**Authority:** T.C.A. §§ 67-1-305 and 67-5-212. **Administrative History:** Original rule filed April 30, 2004; effective July 14, 2004. Amendments filed May 12, 2020; effective August 10, 2020.

#### **0600-08-.03 CRITERIA FOR EXEMPTION OF MEDICAL CLINICS.**

- (1) As used in this rule “clinic” means a facility other than a hospital or other licensed health care facility that provides primary medical care.
- (2) As used in this rule “primary medical care” means health care services that cover a range of disease prevention and general wellness services, including diagnosis and treatment of common conditions, patient counseling, and the management of a patient’s overall care.
- (3) A clinic owned by a charitable institution will be approved for exemption if it meets the following criteria:
  - (a) The clinic is located in a medically underserved area or serves a medically underserved population as designated by the U.S. Department of Health and Human Services or the State of Tennessee;
  - (b) The clinic provides services without regard to ability to pay and, if it submits claims to any third party payer, it does not decline TennCare, Medicare, or the uninsured;
  - (c) The clinic either does not charge for services to any patient, or if it charges for services, charges are based on a sliding-fee scale that is based on patients' family size and income, and
  - (d) No physician or other employee of the clinic is compensated in amounts in excess of what is reasonable for services performed for the clinic and comparable to other qualified and experienced providers.

(Rule 0600-08-.03, continued)

**Authority:** T.C.A. §§ 67-1-305, 67-5-212, and 67-5-212(b). **Administrative History:** Original rule filed April 30, 2004; effective July 14, 2004. Amendment filed June 25, 2008; effective September 8, 2008. Amendments filed May 12, 2020; effective August 10, 2020.