

Tennessee State Board of Equalization
Property Tax Exemptions in Tennessee
How to Apply
for
Religious • Charitable • Educational • Scientific
Exemptions

Your property must meet three requirements before it can be granted tax exempt status.

1. The property must be owned by a religious, charitable, scientific, or nonprofit educational institution.
2. The exempt institution must actively use the property purely and exclusively for one or more of the exempt purposes of the institution.
3. Your organization must submit an application for exemption from property taxation.

You, as a representative of your organization, are about to complete the third requirement.

- Fill out the Tennessee State Board of Equalization Application for Property Tax Exemption. Please refer to the “Line by Line Instructions for Filling out the Application” to complete the form.
- Supply all the information requested, so we can determine if your organization and the use it makes of this property meets the other two requirements.
- Send the original application with all supporting documents to:
The State Board of Equalization
James K. Polk Building ~ Suite 1600
505 Deaderick Street
Nashville, Tennessee 37243-0280
- Send a copy of the application with all supporting documents to the Assessor of Property for the County in which the property is located.
- Keep a copy of your application and all supporting documentation for your files.
- File the exemption application as soon as possible to avoid losing tax-exempt status for the part of the time the property may qualify for exemption.

If you need help ...

- Check with your County Assessor of Property to verify the correct Parcel Identification Number (or numbers) for the property you are claiming as exempt.
- **A separate application must be completed for each parcel.**
- If you have questions or need help from the State Board of Equalization, call 615-741-4883.
- If you need to write to the State Board of Equalization, after you have filed your organization’s application, at the top of your letter be sure to include the parcel identification number and the name of the county where the property is located.

Line by Line Instructions for Filling out the Tennessee State Board of Equalization Application for Property Tax Exemption

1. **Organization's Name** – The name or names on the deed should be that of the organization or the organization's trustees, and the same name recorded in the Assessor's Office.
2. **Organization's Address** – Give the complete mailing address of the organization.
3. **Agent or contact person's name and telephone number** - Your name or the name of the person you want the State to contact.
4. **Agent or contact person's address** – Complete address for the person listed on Line 3.
5. **Location of Property** – Complete address for the property named in the application.
6. **Check the type of exemption applied for and explain** – Carefully check the category that best describes your property and give any details that will help explain why this property should be classified as exempt.
7. **Check the applicant's type of organization** – Carefully check the category that best describes your organization and give any details that will help explain why your organization's property should be classified as exempt.
8. **Required supporting documents** – Carefully review the different documents that are acceptable and include any that will support your claim for exemption.
9. **Has the organization previously made application for exemption for this or any other property?** – Check with others within your organization to be sure you supply the correct answer and information here.
10. **Is the organization registered with the Tennessee Secretary of State as a charitable organization authorized to solicit charitable funds pursuant to Tennessee Code Annotated, Section 48-101-5017?** – Again, check with others within your organization to be sure that you supply the correct answer and information here.
11. **For the real property, what is the acreage of the parcel?** – Be sure your numbers agree with records on file in the Assessor's office.
12. **When was the property acquired? How much was paid for it?** – Be sure dates and prices agree with record on file in the Assessor's office.
13. **What is the estimated present value of the land? ... present value of all improvements? ... present value of the personal property?** – Be sure estimates are as accurate as possible.

14. **For real property describe all improvements located on it.** – Improvements are defined as any building, dwelling or structure located on the property.
15. **State all current uses made of the real or personal property, how often these occur and the date each use began.** – Be detailed and thorough in completing this item.
- List all uses the organization makes of the property.
 - The date each use began is very important in determining when the exemption, **if it is granted**, should begin.
 - Property must presently be used for exempt purposes at all times. For example, if a church purchases a building site, the building site is not exempt before completion and until it is used for exempt purposes.
 - Property owned by an exempt organization, but not used for exempt purposes is not exempt.
 - Consult with others in your organization to make certain your information is correct and complete.
16. **Is any portion of this property used by persons or organizations other than the applicant?** - Give detailed information on any use made of the property by persons or organizations other than the owning organization.
17. **Describe all uses of the property, if any, which produce income or rent.**
- Include each of your organization's uses of the property that produce income, the amount of that income, and what the income is used for.
For example, if a nonprofit, charitable organization sells used clothing at its building, it should list that use, what portion of the property is used, how often the use occurs, how much income is realized and what it does with the income.
 - If your organization rents part or all of the property to a person or another organization, state who rents the property, how much of the property is rented, the amount of the rent, and what your organization does with the rent received. If the renter is another organization, describe it as completely as you can.
18. **State law requires that the applicant send a copy of this application to the Assessor of the county in which the property is located.** – Your application cannot be processed until you provide the Assessor with a copy of this application and supporting documentation.
19. **If incorporated, is the board of directors of the applicant aware of Tennessee Code Annotated Section 48-62-102 (g) ...?** – Understand and share this disposition of property law with others in your organization.

Review and sign the agent-agreement section in space provided and then date and sign in the signature box, including your title, along with your area code and telephone number.

What happens next?

- The State Board of Equalization will review your application and contact you if there are any questions or if more information is needed. The State will request the Assessor's office to complete a field visit to verify the property's description and use.
- You will be advised whether the application is approved or denied.
- **Once exemption is approved** it is not necessary to reapply each year, but if there are any changes in the ownership, or the use of the property, or additions to the property, you must notify both the Assessor of Property in the county where the property is located and the State Board of Equalization.
- **If your application is denied**, you can request an administrative appeal and can ultimately appeal the denial to a court.
- Appeals must be filed with the State Board of Equalization within 90 days of the denial.

~ Helpful Hints ~

- Purchases of new property require filing new applications for each property, even if the property purchased is already exempt.
- Application for exemption must be filed by May 20 of the year for which the exemption is sought, if the exemption is to be effective the later of January 1, or the date of the first use for an exempt purpose.
- Ownership of property by a nonprofit organization does not alone qualify the property for exemption.
- The institution must use the property for purposes directly incidental to or as an integral part of its recognized function.
- Additions to the property require exemption application.
- While property owners need not apply every year, the Assessor's Office does review exempt properties during reappraisal to verify the property is still being used for exempt purposes.
- No church shall be granted an exemption on more than one parsonage, and this parsonage shall not include more than three acres of land. For the parsonage to be exempt, its use must be purely and exclusively for religious purposes.
- Exempt institutions owning exempt property may permit other exempt institutions to use their property, but only if the using organization uses it for exempt purposes and the owning institution receives no more rent than \$1.00 per year.
 - ~ The owning institution may charge a reasonable service and maintenance fee to cover the costs of such things as janitorial services, utilities and repairs.
 - ~ Reasonable service and maintenance fees do not include the amortization of a mortgage.
- "Charitable institution" includes any nonprofit organization or association devoting its efforts and property, or any portion thereof, exclusively to the improvement of human rights and/or conditions in the community.
- Property owners may appeal Board decisions.
- Property taxes levied against property prior to an exempt status being granted are not forgiven and must be paid.