



December 17, 2025

The Honorable Bill Lee
Governor
State of Tennessee
Tennessee State Capitol
1st Floor
Nashville, TN 37243

Dear Governor Lee:

On behalf of a coalition of trade and professional associations representing investment professionals, holistic financial planners and their employers, we urge you to prioritize a phase-out of Tennessee's Professional Privilege tax (PPT) in your FY 2026-2027 budget submission. The financial services industry is proud to contribute to economic growth in Tennessee by helping to grow the assets of Tennesseans and employing over 125,600 professionals which account for 3.5 percent of total employment in the state.¹ Yet, despite this contribution, and our desire to grow, individual investment professionals remain subject to this \$400 per year employment tax.

Thanks to your leadership, Tennessee is in a sound fiscal position² and ranks highly among business-friendly states.³ However, not all industries have shared equally. Financial professionals and the consumers they serve remain subject to this outdated tax on work. Much has changed in the investment landscape since the PPT was enacted. As the number of investors in Tennessee's population has grown, so has the need for the personalized financial advice that these professionals can provide to their clients and communities. But the PPT means that consumers who seek guidance from professionals on growing their savings, investing for retirement or other life events are subject to higher costs and have less access to services than their counterparts in other states.

¹ US Department of Labor- Bureau of Labor Statistics (2024).

² <https://www.richstatespoorstates.org/all-states/>.

³ <https://chiefexecutive.net/best-worst-states-business/>.

Repeal of the PPT is also essential to fulfill the promise of a business and work-friendly environment for Tennessee residents. One of Tennessee's core principles should be that government is not funded by a tax on the 'privilege' of working. Violating this principle could risk Tennessee falling behind neighboring states. Further, at a time when financial professionals are leaving traditional financial centers,⁴ Tennessee has the opportunity to compete for some of the best employees in America without this barrier to entering the workforce or starting a business. Past budget submissions put forward by your office have recognized this principle. For instance, in your 2020-2021 budget submission, you stated:

*The Governor's Recommended Budget includes a 50 percent reduction in the professional privilege tax, reducing it from \$400 per license per year to \$200 per license per year. The resulting loss of \$40 million in state revenue is accounted for in this budget recommendation. The professional privilege tax was introduced in 1992 at \$200 annually assessed to 22 professions. In 2002, the tax was increased to \$400. In 2019, the tax was reduced in scope to impact four professions.*⁵

We strongly urge you to include a phased-out of the professional privilege tax in your upcoming budget submission. We look forward to working with your office as well as the legislature to ensure that a phase out of this tax is achieved.

Thank you for your consideration.

Sincerely,

The Securities and Financial Markets Association

The Insured Retirement Institute

The Financial Services Institute

The National Association of Insurance and Financial Advisors

Finseca

The American Securities Association

The CFP Board

The Financial Planning Association

⁴ <https://www.forbes.com/sites/jackkelly/2023/08/23/wall-street-is-going-south-and-taking-1-trillion-in-assets-with-it/>.

⁵ <https://www.tn.gov/content/dam/tn/finance/budget/documents/bgtdocsarchive/2021BudgetDocumentVol1.pdf> at xix.

About the Trade and Professional Associations

The Securities Industry and Financial Market Association (SIFMA) is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's nearly 1 million employees, we advocate for legislation, regulation and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the regional member of the Global Financial Markets Association.

The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, and distributors such as broker-dealers, banks and marketing organizations. IRI members account for more than 95 percent of annuity assets in the U.S., include the top 10 distributors of annuities ranked by assets under management, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community.

The Financial Services Institute (FSI) is an advocacy association comprised of members from the independent financial services industry and is the only organization advocating solely on behalf of independent financial advisors and independent financial services firms. Since 2004, through advocacy, education, and public awareness, FSI has been working to create a healthier regulatory environment for these members so they can provide affordable, objective financial advice to hard-working Main Street Americans. For more information, visit www.financialservices.org.

NAIFA. Founded in 1890, the National Association of Insurance and Financial Advisors is the leading association for financial service professionals in the United States. NAIFA members, in every Congressional district and every state house, subscribe to a strong [Code of Ethics](#) and represent a full spectrum of practice specialties to promote financial security for all Americans. Complimented by its professional development and consumer communities, the Society of Financial Service Professionals and Life Happens, the association delivers value through advocacy, service, and education.

Finseca. At [Finseca](#), we know that financial security improves people's lives and protects their livelihoods and future wellbeing. We are rising to the challenge of increasing financial security for all. Finseca represents the men and women of the financial security profession who dedicate themselves to delivering financial security to their clients every day.

The CFP Board is a professional body that certifies more than 107,000 CERTIFIED FINANCIAL PLANNER® professionals in the United States, and almost 2,000 in the State of Tennessee. Since 1985, CFP Board has set the standard for competent and ethical financial planning in the United States. Today, more than one-third of retail financial professionals are CFP® professionals who commit to CFP Board, as part of their certification, to act as a fiduciary, and therefore, to act in the best interests of the client at all times when providing financial advice. CFP® professionals operate under various business and compensation models (including commission-based compensation and fee compensation) and provide professional services on behalf of investment advisers, broker-dealers, and insurance companies, among other business types.

Financial Planning Association. The Financial Planning Association® (FPA®) is the leading membership organization and trade association for CERTIFIED FINANCIAL PLANNER® professionals and those engaged in the financial planning process.

The American Securities Association (ASA) is a trade association that represents the retail and institutional capital markets interests of regional financial services firms who provide Main Street businesses with access to capital and advise hardworking Americans how to create and preserve wealth. ASA's mission is to promote trust and confidence among investors, facilitate capital formation, and support efficient and competitively balanced capital markets. This mission advances financial independence, stimulates job creation, and increases prosperity. ASA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions of the United States.