



**STATE OF TENNESSEE
DEPARTMENT OF REVENUE
ANDREW JACKSON STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37242**

October 8, 2015

Dear Wholesaler or Manufacturer,

Thank you to all tobacco and beer wholesalers that have cooperated with the Retail Accountability Program to make it a success. In the last 28 months, the Department of Revenue has collected over \$50 million from retailers due to underreported sales tax. When sales tax is collected from customers and not remitted, the State is deprived of revenue necessary to provide services to residents and businesses. Additionally, retailers that underreport sales tax have an unfair advantage over businesses that comply with the tax laws.

You may have recently received a letter explaining that the Retail Accountability Program has grown to include anyone selling an expanded range of products to retailers of beer and tobacco. Although the expanded program will not change reporting by retailers, the program now encompasses many more wholesalers, distributors, and manufacturers than have been previously reporting their sales to the Department. We want to make this reporting process as simple and straightforward as possible.

The file layout for reporting your monthly sales data indicates that NACS codes are required. In response to concerns raised by some wholesalers about using the NACS codes, we are amending the file layout to accept UPC codes, if a wholesaler cannot provide at least the main category NACS codes. If you do not use either of these two categorization methods, please contact us to discuss an alternative.

The monthly report also requires the retailers' sales tax account number. This account number can be obtained from the resale certificate you must have on file to make sales to that retailer without charging sales tax. When you submit your monthly report, you will receive an email that will list your customers that do not have a valid account with the Department. This will allow you to keep your records up-to-date with the correct responsible retailer and avoid potential liability for your organization.

As a reminder, each monthly report is due the 25th of the following month. Your first report for October 2015 is due November 25th. New wholesalers, distributors, and manufacturers may need additional time to program your system to create the monthly report. Please contact us by email at resale.data@tn.gov to request additional time to submit reports. Please include your company name, contact information and estimated date you can begin submitting reports. You may also contact us if you would like to submit test files.

For additional information, please see the Retail Accountability Program page found at: <http://tn.gov/revenue/article/retail-accountability-program-information-for-wholesalers>. If you have questions or need assistance, please contact us by email at resale.data@tn.gov or call (615) 741-9300 in Nashville area or (855) 286-7423 toll free. Thank you for your cooperation with this important tax compliance effort.

Sincerely,

Mark See

Mark See, Tax Audit Manager
Audit Division, Retail Accountability Program