

Streamlined Sales Tax Governing Board, Inc.

Online Taxability/Best Practice Matrix or Certificate of Compliance Change

State:

Tennessee

Date:

07/31/2015

Change Number (to be completed by SSTGB)

TNTM15001

Name of Person Submitting Change:

Sherry Hathaway

Effective Date of Change

07/31/2015

Date Change to be Published for
Public View

08/01/2015

Change Order Details

- Taxability/Best Practice Matrix Change
- Certificate of Compliance Change

List reference number of changed items:

No changes in taxable determinations. Changes were made in the following comments column for delay of additional Streamlined changes need to conform from July 1, 2015 to July 1, 2017. Comments changed: 20090, 30040, 30015, 31000, 31050, 31060, 31080, 31090, 31125, 31110, 31120, 31040, 31070, 31100, 60010 - 61060, 61100 - 61160, 61200- 61280, and 61300 - 61325.

TO BE COMPLETED BY SSTGB

Date Change Published

8/17/2015 Version 2015.0

F0020

6/29/2015

Streamlined Sales Tax Governing Board, Inc.

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Tennessee State Taxability Matrix

Version 2015.0

Publish Date:

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Completed by: Sherry Hathaway

E-mail Address: [sherry.hathaway @tn.gov](mailto:sherry.hathaway@tn.gov)

Phone number: 615 532 6021

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The Taxability Matrix contains four sections that must be completed: Section A - Administrative Definitions, Section B - Sales Tax Holidays, Section C - Product Definitions and Section D - Tax Administration Practices.

Instructions for Sections A, B and C of the Taxability Matrix

Each of the items listed in Sections A, B and C below are defined in the Library of Definitions in the Streamlined Sales and Use Tax Agreement (SSUTA) as amended through May 13, 2015. Refer to Appendix C of the SSUTA for each definition.

Place an "X" in the appropriate column under the heading "Treatment of definition" to indicate the treatment of each definition in your state. If a product definition was not adopted by your state, enter "NA" in the column under the heading "Reference" and indicate in the "Treatment of definition" column the treatment of the product in your state. In accordance with the SSUTA, your state must adopt the definitions in the Library of Definitions that apply to your state without qualifications, except for those allowed by the SSUTA. For this reason, do not enter any comments or qualifications in the two columns under the heading "Treatment of definition." If your state has adopted a definition in the Library of Definitions with a qualification not specified in the SSUTA, do not place an "X" in either column under the heading "Treatment of definition" but include a comment in the "Reference" column explaining the qualification. Enter the applicable statute/rule cite in the "Reference" column.

Instructions for Section D of the Taxability Matrix

With respect to Section D, "tax administration practices" have been selected by the Streamlined Sales Tax Governing Board (SSTGB) for each of the products, procedures, services, or transactions identified pursuant to Section 335 of the Streamlined Sales and Use Tax Agreement (SSUTA), as amended through May 13, 2015.

Use of the term "State" in each practice refers to the state completing the matrix.

Place an "X" in the appropriate column to indicate whether your State does or does not follow each practice identified.

For each practice identified in this matrix and further described in Appendix E of the SSUTA which your State follows, place an "X" in the "Yes" column and enter the statute or rule that applies to your state's treatment of this practice in the References and Comments column.

For each practice identified in this matrix and further described in Appendix E of the SSUTA that your State does not follow, place an "X" in the "No" column and, if necessary, describe in the References and Comments column your state's practice in this area.

Conformance to a "tax administration practice" by a state is voluntary and no state shall be found not in compliance with the Agreement if it does not follow a tax administration practice selected by the Governing Board.

Sellers and certified service providers are relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales and use tax resulting from the seller or certified service provider relying on erroneous data provided by the member state relative to treatment of the terms defined in Sections A, B and C and the tax administration practices indicated in Section D.
 SSTGB Form F0014 (Revised May 13, 2015)

Reference Number	Administrative Definitions	Treatment		Reference	
		Included in Sales Price	Excluded From Sales Price	Statute/Rule Cite	Comment
10010	Sales price: Identify how the options listed below are treated in your state. The following options may be excluded from the definition of sales price only if they are separately stated on the bill to the purchaser. Charges by the seller for any services necessary to complete the sale other than delivery and installation	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (79)(A)(iii)	
10070	Telecommunication nonrecurring charges	<input checked="" type="radio"/>	<input type="radio"/>	N/A	
10040	Installation charges	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (79)(A)(v)	

Reference Number	Description	Included in Sales Price	Excluded From Sales Price	Statute/Rule Cite	Comment
10060	Value of trade-in	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-102 (79)(B)(iv)	
Reference Number	Delivery Charges for personal property or services other than direct mail. The following charges are included in the definition of sales price unless your state excludes them from sales price when such charges are separately stated on the bill to the purchaser.	Included in Sales Price	Excluded From Sales Price	Statute/Rule Cite	Comment
11000	Handling, crating, packing, preparation for mailing or delivery, and similar charges	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (79)(A)(iv) and 67-6-102 (25)	
11010	Transportation, shipping, postage, and similar charges	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (79)(A)(iv) and 67-6-102 (25)	
Reference Number	Delivery Charges for direct mail. The following charges are included in the definition of sales price unless your state excludes them from sales price when such charges are separately stated on the bill to the purchaser.	Included in Sales Price	Excluded From Sales Price	Statute/Rule Cite	Comment
11020	Handling, crating, packing, preparation for mailing or delivery, and similar charges	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (25) and 67-6-102 (30)	
11021	Transportation, shipping, and similar charges	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (25) and 67-6-102 (30)	
11022	Postage	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (25) and 67-6-102 (30)	
Reference Number	STATE and LOCAL TAXES - A state may exclude from the sales price any or all state and local taxes on a retail sale that are imposed on the seller, if the state statute authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the . The tax must be separately stated on the invoice, bill of sale or similar document given to the purchaser. Sales and use taxes are not included in the sales price. If applicable list all state and local taxes,	Included in Sales Price	Excluded From Sales Price	Statute/Rule Cite	Comment

	other than sales and use taxes imposed on the seller that your state excludes from sales price under this provision.						
11110	(State Controlled Item)					NA, T.C.A. 67-6-102 (79)(A)(iii)	
Reference Number	TRIBAL TAXES - A state may exclude from the sales price tribal taxes on a retail sale that are imposed on the seller if the Tribal law authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer. The tax must be separately stated on the invoice, bill of sale or similar document given to the purchaser. If applicable list all tribal taxes on a retail sale that are imposed on the seller if the Tribal law authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer. The tax must be separately stated on the invoice, bill of sale or similar document given to the purchaser.	Included in Sales Price	Excluded From Sales Price	Statute/Rule Cite	Comment		
11120	(State Controlled Item)			NA, T.C.A. 67-6-102 (79)(A)(ii)			
Sales Tax Holidays							
Sales Tax Holidays: Does your state have a sales tax holiday?							
Reference Number	If yes, indicate the tax treatment during your state sales tax holiday for the following products.	Amount of Threshold	Taxable	Exempt	Statute/Rule Cite	Comment	
20060	All Energy star qualified products Specific energy star qualified products or energy star qualified classifications	\$0	<input checked="" type="radio"/>	<input type="radio"/>	N/A		
20060	(State Controlled Item)	\$0	<input type="radio"/>	<input checked="" type="radio"/>	N/A		

Reference Number	Other products defined in Part II of the Library of Definitions included in your state sales tax holiday.	Amount	Taxable	Exempt	Statute/Rule Cite	Comment
20150	All Disaster Preparedness Supply	\$0	<input checked="" type="radio"/>	<input type="radio"/>	N/A	
20160	Specific Disaster preparedness general supply	\$0	<input checked="" type="radio"/>	<input type="radio"/>	N/A	
20170	Specific Disaster preparedness safety supply	\$0	<input checked="" type="radio"/>	<input type="radio"/>	N/A	
20180	Specific Disaster preparedness food-related supply	\$0	<input checked="" type="radio"/>	<input type="radio"/>	N/A	
20190	Specific Disaster preparedness fastening supply	\$0	<input checked="" type="radio"/>	<input type="radio"/>	N/A	
20070	School supply	\$100	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-393 (a)(2) and 67-6-102 (83)	
20080	School art supply	\$100	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-393 (a)(3) and 67-6-102 (80)	
20090	School instructional material.	\$0	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-393 (b)(5) and 67-6-102 (82)	Textbooks and workbooks are exempt from sales and use tax. T.C.A. 67-6-329(a)(3) and 67-6-102 (91) (97)
20100	School computer supply	\$0	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-393 (b)(6) and 67-6-102 (81)	

Reference Number	Product Definitions	Treatment	Reference		
Reference Number	Clothing and related products	Taxable	Exempt	Statute/Rule Cite	Comment
20130	Clothing	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-393 (a)(1) and 67-6-102 (12)	
20110	Computers	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-393 (a)(4) and 67-6-102 (17)	
20120	(State Controlled Item) Prewritten computer software	<input checked="" type="radio"/>	<input type="radio"/>	NA, T.C.A. 67-6-393 (b)(1) and 67-6-102 (68)	
Product Definitions					
Treatment					
Reference					
20010	Clothing	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (12) and 67-6-202 (a) and 67-6-702 (a)	
20015	Essential clothing priced below a state specific threshold	<input checked="" type="radio"/>	<input type="radio"/>	N/A	
20050	Fur clothing	<input checked="" type="radio"/>	<input type="radio"/>	N/A	
20020	Clothing accessories or equipment	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (13) and 67-6-202 (a) and 67-6-702 (a)	
20030	Protective equipment	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (71) and 67-6-202 (a) and 67-6-702 (a)	
20040	Sport or recreational equipment	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (87) and 67-6-202 (a) and 67-6-702 (a)	

Reference Number	Computer related products	Taxable	Exempt	Statute/Rule Cite	Comment
30100	Computer			T.C.A. 67-6-102 (17) and 67-6-202(a) and 67-6-702(a)	
30040	Prewritten computer software			T.C.A. 67-6-231 (a) and 67-6-702(a) and 67-6-102(68)	Effective, July 1, 2015 Public Chapter 514 Acts of 2015 Section 22 provides sales and use tax also applies to the sale, lease, license, subscription and use of computer software that remains in the possession of the seller, or its designee, that is remotely accessed and used by the customer from a Tennessee location. Important Notice 15-14.
30050	Prewritten computer software delivered electronically			T.C.A. 67-6-231 (a) and 67-6-702(a) and 67-6-102(68) (24)	
30060	Prewritten computer software delivered via load and leave			T.C.A. 67-6-231 (a) and 67-6-702(a) and 67-6-102(68)	
30015	Non-prewritten (custom) computer software				Effective, July 1, 2015 Public Chapter 514 Acts of 2015 Section 22 provides sales and use tax also applies to the sale, lease, license, subscription and use of computer software that remains in the possession of the seller, or its designee, that is remotely accessed and used by the customer from a Tennessee location. Important Notice 15-14.

Reference Number	Mandatory computer software maintenance contracts	Taxable	Exempt	Statute/Rule Cite	Comment
				T.C.A. 67-6-231 (a) and 67-6-702(a) and 67-6-102(18)	
30025	Non-prewritten (custom) computer software delivered electronically	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (a) and 67-6-702(a) and 67-6-102(18) (24)	
30035	Non-prewritten (custom) computer software delivered via load and leave	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (a) and 67-6-702(a) and 67-6-102(18)	
	Mandatory computer software maintenance contracts				
30200	Mandatory computer software maintenance contracts with respect to prewritten computer software	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(19) (68)	
30210	Mandatory computer software maintenance contracts with respect to prewritten computer software which is delivered electronically.	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(19) (24) & (68)	
30220	Mandatory computer software maintenance contracts with respect to prewritten computer software which is delivered via load and leave	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(19) (68)	
30230	Mandatory computer software maintenance contracts with respect to non-prewritten (custom) computer software	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(18) (19)	

Reference Number	Optional computer software maintenance contracts	Taxable	Exempt	Statute/Rule Cite	Comment
30240	Mandatory computer software maintenance contracts with respect to non-prewritten (custom) software which is delivered electronically	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(18) (19) & (24)	
30250	Mandatory computer software maintenance contracts with respect to non-prewritten (custom) software which is delivered via load and leave	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-201(18) (19)	
30300	Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades with respect to the software	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(19) (68)	
30310	Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades delivered electronically with respect to the software	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(19) (24) & (68)	
30320	Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades delivered via load and leave with respect to the software	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(19) (68)	
30330	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades with respect to the software	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(18) (19)	
30340	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades delivered electronically with respect to the software	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(18) (19) & (24)	
30350	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades delivered via load and leave with respect to the software	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(18) (19)	
30360	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide support	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-102 (19)	

	services to the software					
30370	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that provide updates or upgrades and support services to the software				T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(18) (19)	
30380	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that provide updates or upgrades delivered electronically and support services to the software				T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(18) (19) & (24)	
30390	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software provide updates or upgrades delivered via load and leave and support services to the software				T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(18) (19)	
Reference Number	Indicate your state's tax treatment for optional computer software maintenance contracts with respect to prewritten computer software sold for one non-itemized price that include updates and upgrades, and/or support services. Use percentages in the taxable and exempt columns to denote tax treatment in your state. For example: if all 100% in the taxable column; if all nontaxable/exempt put 100% in the exempt column; if 50% taxable and 50% nontaxable/exempt put 50% in the taxable column and 50% in the exempt column.	Taxable	Exempt	Statute/Rule Cite	Comment	
30400	Optional computer software maintenance contracts with respect to prewritten computer software that provide updates or upgrades and support services to the software	100%	0%	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(19) (68)		
30410	Optional computer software maintenance contracts with respect to prewritten computer software that provide updates and upgrades delivered electronically and support services to the software	100%	0%	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(19) (24) & (68)		
30420	Optional computer software maintenance contracts with respect to prewritten computer software that provide updates and upgrades delivered via load and leave and support services to the software	100%	0%	T.C.A. 67-6-231 (b) and 67-6-702(a) and 67-6-102(19) (68)		
30430	Optional computer software maintenance contracts with respect to prewritten computer software that only provide support services to	0%	100%			

Reference Number	Digital products/excludes telecommunications services, ancillary services and computer software)	Yes	No	Statute/Rule Cite	Comment
	the software			T.C.A. 67-6-102 (19) (68)	
31000	A state imposing tax on products "transferred electronically" is not required to adopt definitions for specified digital products. ("Specified digital products" includes the defined terms: digital audio visual works; digital audio works; and digital books.) Does your state impose tax on products transferred electronically other than digital audio visual works, digital audio works, or digital books?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	T.C.A. 67-6-226 & 67-6-103(f) & 67-6-714 & 67-6-102(96) T.C.A. 67-6-227 P.C. 514 (2015) Sec. 21 & 23 Eff. 7-1-2015	Video programming service Direct-to-home satellite service Video game digital products Eff. 7-1-2015.
31065	For transactions other than those included above, a state must specifically impose and separately enumerate a broader imposition of the tax. Does your state impose tax on: Digital audio visual works sold to users other than the end user.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-233 (f) and 67-6-102(28) (86)	
	Digital audio visual works sold with rights of use less than permanent				

31050	use...				T.C.A. 67-6-233 (a) & (b)(1) and 67-6-702(g)(4) 67-6-102 (28) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate
31060	Digital audio visual works sold with rights of use conditioned on continued payment.				T.C.A. 67-6-233 (a) & (b)(2) and 67-6-702(g)(4) 67-6-102(28) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate
31095	Digital audio works sold to users other than the end user.				T.C.A. 67-6-233 (f) and 67-6-102 (27) (86)	
31080	Digital audio works sold with rights of use less than permanent.				T.C.A. 67-6-233 (a) & (b)(1) and 67-6-702(g)(4) 67-6-102(27) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate
31090	Digital audio works sold with rights of use conditioned on continued payments.				T.C.A. 67-6-233 (a) & (b)(2) and 67-6-702(g)(4) 67-6-102(27) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate
31125	Digital books sold to users other than the end user.				T.C.A. 67-6-233 (f) and 67-6-102(29) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate
31110	Digital books sold with rights of use less than permanent.				T.C.A. 67-6-233 (a) & (b)(1) and 67-6-702(g)(4) 67-6-102(29) (86)	

Reference Number	Digital products(excludes telecommunications services, ancillary services and computer software)	Taxable	Exempt	Statute/Rule Cite	Comment
31120	Digital books sold with rights of use conditioned on continued payments.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	T.C.A. 67-6-233 (a) & (b)(2) and 67-6-702(g)(4) 67-6-102(29) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate
31121	Does your state treat subscriptions to products "transferred electronically" differently than a non-subscription purchase of such product?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-233 (a) (b)(1) & (b)(2) 67-6-102(27) (28) & (29)	Subscriptions to video programming services and direct-to-home satellite are also subject to tax. See: T.C.A. 67-6-226 & 67-6-227
31040	Digital audio visual works sold to an end user with rights for permanent use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	T.C.A. 67-6-233 (a) (b)(1) and 67-6-702(g)(4) 67-6-102(28) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate
31070	Digital audio works sold to an end user with rights for permanent use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	T.C.A. 67-6-233 (a) (b)(1) and 67-6-702(g)(4) 67-6-102(27) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate
31100	Digital books sold to an end user with rights for permanent use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	T.C.A. 67-6-233 (a) (b)(1) and 67-6-702(g)(4) 67-6-102(29) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate

Section 332H provides that states may have product based

Reference Number	exemptions for specific items within specified digital products. ("Specified digital products" includes the defined terms: digital audio visual works; digital audio works; and digital books.) List product based exemptions for specific items included in specified digital products. Example: digital textbooks	Taxable	Exempt	Statute/Rule Cite	Comment
32000	<i>(State Controlled Item)</i> Any specified digital products if equivalent tangible form is exempt.	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-329 (d)(1)	
32000	<i>(State Controlled Item)</i> Specified digital products provided without charge with rights of less than permanent use	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-329 (d)(2)	
32000	<i>(State Controlled Item)</i> Periodicals printed entirely on newsprint or bond paper and regularly distributed at least twice monthly	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-329 (a)(10)	
32000	<i>(State Controlled Item)</i> Textbooks, Workbooks	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-329 (a)(3) and 67-6-102(91) (97)	
32000	<i>(State Controlled Item)</i> Digital advertising preliminary artwork	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-102 (63) and 67-6-312(a)	Exemption for a qualified advertising agency
32000	<i>(State Controlled Item)</i> Subscriptions to satellite radio services	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-233 (d)	
Reference Number	Food and food products	Taxable	Exempt	Statute/Rule Cite	Comment
40010	Candy	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(9)	
40020	Dietary Supplements	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(26)	

Reference Number	Prepared food options - The following food items heated, mixed or combined by the seller are included in the definition of prepared food unless a state elects to exclude them from the definition of prepared food. Such food items excluded from prepared food are taxed the same as food and food ingredients. (Indicate how the options for the following food items that otherwise meet the definition of prepared food are treated in your state.)	Included in Prepared Food	Excluded From Prepared Food	Statute/Rule Cite	Comment
40030	Food and food ingredients excluding alcoholic beverages and tobacco	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-228 (a) and 67-6-702(a) 67-6-102(41)	
40040	Food sold through vending machines	<input checked="" type="radio"/>	<input type="radio"/>	NA, T.C.A. 67-6-228 (a-b) and 67-6-202(a) 67-6-702(h)	
40050	Soft Drinks	<input checked="" type="radio"/>	<input type="radio"/>	NA, T.C.A. 67-6-228 (a) and 67-6-702(a)	
40060	Bottled Water	<input checked="" type="radio"/>	<input type="radio"/>	NA, T.C.A. 67-6-228 (a) and 67-6-702(a)	
41000	Prepared Food	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(66)	
41010	Prepared food sold without eating utensils provided by the seller whose primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries)	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(66)	
41020	Prepared food sold without eating utensils provided by the seller in an unheated state by weight or volume as a single item	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(66)	
	Meat or seafood products that meet the definition of prepared	<input checked="" type="radio"/>	<input type="radio"/>		

Reference Number	Health-care products Drugs (Indicate how the options are treated in your state) Drugs for human use	Taxable	Exempt	Statute/Rule Cite	Comment
41025	food sold without eating utensils provided by the seller in an unheated state by weight or volume as a single item	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(66)	
41030	Bakery items that meet the definition of prepared food sold without eating utensils provided by the seller, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(66)	
41040	Prepared food sold without eating utensils provided by the seller that ordinarily requires cooking (as opposed to just reheating) by the consumer prior to consumption	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(66)	
51010	Drugs, other than over-the-counter drugs, for human use without a prescription	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (33) (59) (67) and 67-6-202(a) 67-6-702(a)	
51020	Drugs, other than over-the-counter drugs, for human use with a prescription	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-102 (33) (59) (67) and 67-6-320(a)	
51050	Insulin for human use without a prescription	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-320 (b)(1)	
51060	Insulin for human use with a prescription	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-320 (b)(1)	
51090	Medical oxygen for human use without a prescription	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-320 (b)(2) and 67-6-202(a) 67-6-702(a)	
51100	Medical oxygen for human use with a prescription	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-320 (b)(2)	

51130	Over-the-counter drugs for human use without a prescription	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	T.C.A. 67-6-102 (59) (67) and 67-6-202(a) 67-6-702(a)	
51140	Over-the-counter drugs for human use with a prescription	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	T.C.A. 67-6-102 (59) (67) and 67-6-320(a)	
51170	Grooming and hygiene products for human use that don't meet the definition of "drug"	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	T.C.A. 67-6-102 (42) (59) and 67-6-320(a) 67-6-202(a) 67-6-702(a)	
51171	Grooming and hygiene products for human use that meet the definition of "drug" without a prescription	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	T.C.A. 67-6-102 (42) (59) and 67-6-320(a) 67-6-202(a) 67-6-702(a)	
51172	Grooming and hygiene products for human use that meet the definition of "drug" with a prescription	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-102 (42) (59) and 67-6-320(a) 67-6-202(a) 67-6-702(a)	
51190	Over-the-counter drugs for human use to hospitals	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-320 (a) (b) and Rule 1320-5-1-.26	
51195	Over-the-counter drugs for human use to other medical facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-320 (a) (b) and Rule 1320-5-1-.26	
51200	Prescription drugs for human use to hospitals	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-320 (a) (b) and Rule 1320-5-1-.26	
51205	Prescription drugs for human use to other medical facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-320 (a) (b) and Rule 1320-5-1-.26	

Reference Number	Drugs for animal use	Taxable	Exempt	Statute/Rule Cite	Comment
51240	Free samples of drugs for human use	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-202 (a) and 67-6-702(a)	
51250	Free samples of prescription drugs for human use	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-319 (b)	
51030	Drugs, other than over-the-counter drugs, for animal use without a prescription	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (33) and 67-6-202(a) 67-6-702 (a)	
51040	Drugs, other than over-the-counter drugs, for animal use with a prescription	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (33) (67) and 67-6-202(a) 67-6-702(a) 67-6-320(a)	
51070	Insulin for animal use without a prescription	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-320 (b)(1)	
51080	Insulin for animal use with a prescription	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-320 (b)(1)	
51110	Medical oxygen for animal use without a prescription	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-320 (b)(2) and 67-6-202(a) 67-6-702(a)	
51120	Medical oxygen for animal use with a prescription	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-320 (b)(2) and 67-6-202(a) 67-6-702(a)	
51150	Over-the-counter drugs for animal use without a prescription	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (59) and 67-6-202(a) 67-6-702(a)	

51160	Over-the-counter drugs for animal use with a prescription	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (59) (67) and 67-6-320(a)	
51180	Grooming and hygiene products for animal use	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (42) (59) and 67-6-320(a)	
51210	Over-the-counter drugs for animal use to veterinary hospitals and other animal medical facilities	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-202(a) and 67-6-702(a)	
51220	Prescription drugs for animal use to veterinary hospitals and other animal medical facilities	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-202 (a) and 67-6-702(a)	
51260	Free samples of drugs for animal use	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-202 (a) and 67-6-702(a)	
51270	Free samples of prescription drugs for animal use	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-319 (a)	
Reference Number	Durable medical equipment (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite	Comment
52010	Durable medical equipment, not for home use, without a prescription	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (34) and 67-6-202(a)	
52020	Durable medical equipment, not for home use, with a prescription	<input checked="" type="radio"/>	<input type="radio"/>	NA, T.C.A. 67-6-102 (34) and 67-6-202(a)	
52030	Durable medical equipment, not for home use, with a prescription paid for by Medicare	<input checked="" type="radio"/>	<input type="radio"/>	67-6-702(a)	

				NA, T.C.A. 67-6-102 (34) and 67-6-202(a) 67-6-702(a)	
52040	Durable medical equipment, not for home use, with a prescription reimbursed by Medicare			NA, T.C.A. 67-6-102 (34) and 67-6-202(a) 67-6-702(a)	
52050	Durable medical equipment, not for home use, with a prescription paid for by Medicaid			NA, T.C.A. 67-6-102 (34) and 67-6-308	
52060	Durable medical equipment, not for home use, with a prescription reimbursed by Medicaid			NA, T.C.A. 67-6-102 (34) and 67-6-202(a) 67-6-702(a)	
52070	Durable medical equipment for home use without a prescription			NA, T.C.A. 67-6-102 (34) and 67-6-202(a) 67-6-702(a)	
52080	Durable medical equipment for home use with a prescription			T.C.A. 67-6-102 (34) (67) and 67-6-314(2)	
52090	Durable medical equipment for home use with a prescription paid for by Medicare			NA, T.C.A. 67-6-102 (34) (67) and 67-6-314(2)	
52100	Durable medical equipment for home use with a prescription reimbursed by Medicare			NA, T.C.A. 67-6-102 (34) (67) and 67-6-314(2)	
52110	Durable medical equipment for home use with a prescription paid for by Medicaid			NA, T.C.A. 67-6-102 (34) (67) and 67-6-314(2) 67-6-308	

52120	Durable medical equipment for home use with a prescription reimbursed by Medicaid				NA. T.C.A. 67-6-102 (34) (67) and 67-6-314(2)
52130	Oxygen delivery equipment, not for home use, without a prescription				T.C.A. 67-6-314 (3)
52140	Oxygen delivery equipment, not for home use, with a prescription				T.C.A. 67-6-314 (3)
52150	Oxygen delivery equipment, not for home use, with a prescription paid for by Medicare				T.C.A. 67-6-314 (3)
52160	Oxygen delivery equipment, not for home use, with a prescription reimbursed by Medicare				T.C.A. 67-6-314 (3)
52170	Oxygen delivery equipment, not for home use, with a prescription paid for by Medicaid				T.C.A. 67-6-314 (3)
52180	Oxygen delivery equipment, not for home use, with a prescription reimbursed by Medicaid				T.C.A. 67-6-314 (3)
52190	Oxygen delivery equipment for home use without a prescription				T.C.A. 67-6-314 (3)
52200	Oxygen delivery equipment for home use with a prescription				T.C.A. 67-6-314 (3)
52210	Oxygen delivery equipment for home use with a prescription paid for by Medicare				T.C.A. 67-6-314 (3)

52220	Oxygen delivery equipment for home use with a prescription reimbursed by Medicare	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-314 (3)	
52230	Oxygen delivery equipment for home use with a prescription paid for by Medicaid	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-314 (3)	
52240	Oxygen delivery equipment for home use with a prescription reimbursed by Medicaid	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-314 (3)	
52250	Kidney dialysis equipment, not for home use, without a prescription	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-314 (4)	
52260	Kidney dialysis equipment, not for home use, with a prescription	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-314 (4)	
52270	Kidney dialysis equipment, not for home use, with a prescription paid for by Medicare	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-314 (4)	
52280	Kidney dialysis equipment, not for home use, with a prescription reimbursed by Medicare	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-314 (4)	
52290	Kidney dialysis equipment, not for home use, with a prescription paid for by Medicaid	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-314 (4)	
52300	Kidney dialysis equipment, not for home use, with a prescription reimbursed by Medicaid	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-314 (4)	
52310	Kidney dialysis equipment for home use without a prescription	<input type="checkbox"/>	<input checked="" type="checkbox"/>	T.C.A. 67-6-314 (4)	

52320	Kidney dialysis equipment for home use with a prescription			T.C.A. 67-6-314 (4)	
52330	Kidney dialysis equipment for home use with a prescription paid for by Medicare			T.C.A. 67-6-314 (4)	
52340	Kidney dialysis equipment for home use with a prescription reimbursed by Medicare			T.C.A. 67-6-314 (4)	
52350	Kidney dialysis equipment for home use with a prescription paid for by Medicaid			T.C.A. 67-6-314 (4)	
52360	Kidney dialysis equipment for home use with a prescription reimbursed by Medicaid			T.C.A. 67-6-314 (4)	
52370	Enteral feeding systems, not for home use, without a prescription			T.C.A. 67-6-314 (5)	
52380	Enteral feeding systems, not for home use, with a prescription			T.C.A. 67-6-314 (5)	
52390	Enteral feeding systems, not for home use, with a prescription paid for by Medicare			T.C.A. 67-6-314 (5)	
52400	Enteral feeding systems, not for home use, with a prescription reimbursed by Medicare			T.C.A. 67-6-314 (5)	
52410	Enteral feeding systems, not for home use, with a prescription paid for by Medicaid			T.C.A. 67-6-314 (5)	

52420	Enteral feeding systems, not for home use, with a prescription reimbursed by Medicaid	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-314 (5)	
52430	Enteral feeding systems for home use without a prescription	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-314 (5)	
52440	Enteral feeding systems for home use with a prescription	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-314 (5)	
52450	Enteral feeding systems for home use with a prescription paid for by Medicare	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-314 (5)	
52460	Enteral feeding systems for home use with a prescription reimbursed by Medicare	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-314 (5)	
52470	Enteral feeding systems for home use with a prescription paid for by Medicaid	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-314 (5)	
52480	Enteral feeding systems for home use with a prescription reimbursed by Medicaid	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-314 (5)	
52490	Repair and replacement parts for durable medical equipment which are for single patient use	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-102 (34)(B) and 67-6-202(a) 67-6-702(a)	
Reference Number	Mobility enhancing equipment (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite	Comment
53010	Mobility enhancing equipment without a prescription	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-102 (53) and 67-6-202(a) 67-6-702(a)	

Reference Number	Prosthetic devices (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite	Comment
53020	Mobility enhancing equipment with a prescription	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-102 (53) (67) and 67-6-314(6)	
53030	Mobility enhancing equipment with a prescription paid for by Medicare	<input type="radio"/>	<input checked="" type="radio"/>	NA, T.C.A. 67-6-102 (53) (67) and 67-6-314(6)	
53040	Mobility enhancing equipment with a prescription reimbursed by Medicare	<input type="radio"/>	<input checked="" type="radio"/>	NA, T.C.A. 67-6-102 (53) (67) and 67-6-314(6)	
53050	Mobility enhancing equipment with a prescription paid for by Medicaid	<input type="radio"/>	<input checked="" type="radio"/>	NA, T.C.A. 67-6-102 (53) (67) and 67-6-314(6) 67-6-308	
53060	Mobility enhancing equipment with a prescription reimbursed by Medicaid	<input type="radio"/>	<input checked="" type="radio"/>	NA, T.C.A. 67-6-102 (53) (67) and 67-6-314(6)	
54010	Prosthetic devices without a prescription	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54020	Prosthetic devices with a prescription	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54030	Prosthetic devices with a prescription paid for by Medicare	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54040	Prosthetic devices with a prescription reimbursed by Medicare	<input type="radio"/>	<input checked="" type="radio"/>		

						T.C.A. 67-6-102 (70) and 67-6-314(1)	
54050	Prosthetic devices with a prescription paid for by Medicaid					T.C.A. 67-6-102 (70) and 67-6-314(1)	
54060	Prosthetic devices with a prescription reimbursed by Medicaid					T.C.A. 67-6-102 (70) and 67-6-314(1)	
54070	Corrective eyeglasses without a prescription					T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54080	Corrective eyeglasses with a prescription					T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54090	Corrective eyeglasses with a prescription paid for by Medicare					T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54100	Corrective eyeglasses with a prescription reimbursed by Medicare					T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54110	Corrective eyeglasses with a prescription paid for by Medicaid					T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54120	Corrective eyeglasses with a prescription reimbursed by Medicaid						

						T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54130	Contact lenses without a prescription					T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54140	Contact lenses with a prescription					T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54150	Contact lenses with a prescription paid for by Medicare					T.C.A. 67-6-102 (70) 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54160	Contact lenses with a prescription reimbursed by Medicare					T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54170	Contact lenses with a prescription paid for by Medicaid					T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54180	Contact lenses with a prescription reimbursed by Medicaid					T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54190	Hearing aids without a prescription					T.C.A 67-6-102 (70) and 67-6-314(1)	

54200	Hearing aids with a prescription				T.C.A 67-6-102 (70) and 67-6-314(1)	
54210	Hearing aids with a prescription paid for by Medicare				T.C.A 67-6-102 (70) and 67-6-314(1)	
54220	Hearing aids with a prescription reimbursed by Medicare				T.C.A 67-6-102 (70) and 67-6-314(1)	
54230	Hearing aids with a prescription paid for by Medicaid				T.C.A 67-6-102 (70) and 67-6-314(1)	
54240	Hearing aids with a prescription reimbursed by Medicaid.				T.C.A 67-6-102 (70) and 67-6-314(1)	
54250	Dental prosthesis without a prescription				T.C.A 67-6-102 (70) and 67-6-314(1)	
54260	Dental prosthesis with a prescription				T.C.A 67-6-102 (70) and 67-6-314(1)	
54270	Dental prosthesis with a prescription paid for by Medicare				T.C.A 67-6-102 (70) and 67-6-314(1)	
54280	Dental prosthesis with a prescription reimbursed by Medicare				T.C.A 67-6-102 (70) and 67-6-314(1)	
54290	Dental prosthesis with a prescription paid for by Medicaid				T.C.A 67-6-102 (70) and 67-6-314(1)	

Reference Number	Telecommunications & related products	Taxable	Exempt	Statute/Rule Cite	Comment
54300	Dental prosthesis with a prescription reimbursed by Medicaid			T.C.A. 67-6-102 (70) and 67-6-314(1)	
60010	Ancillary Services			T.C.A. 67-6-102 (7) and 67-6-205(c)(9) 67-6-702(9)(2)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate
60020	Conference bridging service			T.C.A. 67-6-102 (7)(A) and 67-6-205(c) (9) 67-6-702(9)(2)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate
60030	Detailed telecommunications billing service			T.C.A. 67-6-102 (7)(B) and 67-6-205(c)(9) 67-6-702(9)(2)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate
60040	Directory assistance			T.C.A. 67-6-102 (7)(C) and 67-6-205(c) (9) 67-6-702(9)(2)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate
60050	Vertical service			T.C.A. 67-6-102 (7)(D) and 67-6-205(c)(9) 67-6-702(9)(2)	

Reference Number	Telcommunications (Indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite	Comment
60060	Voice mail service	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (7)(E) and 67-6-205(c)(9) 67-6-702(g)(2)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate and applies general local tax rate
61000	Intrastate Telecommunications Service	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A 67-6-102 (90) (47) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61010	Interstate Telecommunications Service	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (90) (46) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special rates of 7.5% state tax rate on interstate business, 1.5% local tax rate on interstate residential, and 0% local tax rate on interstate business and applies general state and local tax rates
61020	International Telecommunications Service	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-102 (90) (45) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	

				<p>2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eff. date 7/1/17 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates</p>
61030	International 800 service		<p>T.C.A. 67-6-102 (90) (45) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)</p>	<p>2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eff. date 7/1/17 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates</p>
61040	International 900 service		<p>T.C.A. 67-6-102 (90) (45) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)</p>	<p>2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eff. date 7/1/17 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates</p>
61050	International fixed wireless service		<p>T.C.A. 67-6-102 (90) (45) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)</p>	

						2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eff. date 7/1/17 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates
61060	International mobile wireless service				T.C.A. 67-6-102 (90) (45) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eff. date 7/1/17 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates
61080	International prepaid calling service				T.C.A. 67-6-102 (90) (45) & (64) and 67-6-230(a) 67-6-702(a)	
61090	International prepaid wireless calling service				T.C.A. 67-6-102 (90) (45) & (65) and 67-6-230(a) 67-6-702(a)	
61100	International private communications service				T.C.A. 67-6-102 (90) (45) & (69) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eff. date 7/1/17 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates

61110	International value-added non-voice data service			T.C.A. 67-6-102 (90) (45) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates
61120	International residential telecommunications service			T.C.A. 67-6-102 (90) (45) and 67-6-205(a)(c)(3) 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates
61130	Interstate 800 service			T.C.A. 67-6-102 (90) (46) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates
61140	Interstate 900 service			T.C.A. 67-6-102 (90) (46) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates

61150	Interstate fixed wireless service		T.C.A. 67-6-102 (90) (46) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates
61160	Interstate mobile wireless service		T.C.A. 67-6-102 (90) (46) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates
61180	Interstate prepaid calling service		T.C.A. 67-6-102 (90) (46) & (64) and 67-6-230(a) 67-6-702(a)	
61190	Interstate prepaid wireless calling service		T.C.A. 67-6-102 (90) (46) & (65) and 67-6-230(a) 67-6-702(a)	
61200	Interstate private communications service		T.C.A. 67-6-102 (90) (46) & (69) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates

61210	Interstate value-added non-voice data service		T.C.A. 67-6-102 (90) (46) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates
61220	Interstate residential telecommunications service		T.C.A. 67-6-102 (90) (46) and 67-6-205(a) (c)(3) 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates
61230	Intrastate 800 service		T.C.A. 67-6-102 (90) (47) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61240	Intrastate 900 service		T.C.A. 67-6-102 (90) (47) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	

							2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eff. date 7/1/17 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61250	Intrastate fixed wireless service					T.C.A. 67-6-102 (90) (47) 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eff. date 7/1/17 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61260	Intrastate mobile wireless service					T.C.A. 67-6-102 (90) (47) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eff. date 7/1/17 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61280	Intrastate prepaid calling service					T.C.A. 67-6-102 (90) (47) & (64) and 67-6-230(a) 67-6-702(a)	
61290	Intrastate prepaid wireless calling service					T.C.A. 67-6-102 (90) (47) & (65) and 67-6-230(a) 67-6-702(a)	

61300	Intrastate private communications service			T.C.A. 67-6-102 (90) (47) & (69) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61310	Intrastate value-added non-voice data service			T.C.A. 67-6-102 (90) (47) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61320	Intrastate residential telecommunications service			T.C.A. 67-6-102 (90) (47) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61325	Paging service			T.C.A. 67-6-102 (90) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273 Eft. date 7/1/17 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61330	Coin-operated telephone service			T.C.A. 67-6-102 (14) and 67-6-329(b)(1)	
61340	Pay telephone service			N/A	

Reference Number	Disclosed Practice 1 - Vouchers	Yes	No	Statute/Rule Cite	Comment
61350	<i>(State Controlled Item)</i>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	
D. Tax Administration Practices on Vouchers from Appendix E					
Vouchers 1.1	The member state administers the difference between the value of a voucher allowed by the seller and the amount the purchaser paid for the voucher as a discount that is not included in the sales price (i.e., same treatment as a seller's in-store coupon), provided the seller is not reimbursed by a third party, in money or otherwise, for some or all of that difference.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	T.C.A. 67-6-102 (79)	
Vouchers 1.2	The member state provides that when the discount on a voucher will be fully reimbursed by a third party the seller is to use the face value of the voucher (i.e., same as the treatment of a manufacturer's coupon) and not the price paid by the purchaser as the measure (sales price) that is subject to tax.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	T.C.A. 67-6-102 (79)	
Vouchers 1.3	The member state provides that costs and expenses of the seller are not deductible from the sales price and are included in the measure (sales price) that is subject to tax. Further, reductions in the amount of consideration received by the seller from the third party that issued, marketed, or distributed the vouchers, such as advertising or marketing expenses, are costs or expenses of the seller.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	T.C.A. 67-6-102 (79)	
<p>D. Tax Administration Practices on Credits from Appendix E</p> <p>For each section, place an "X" in the YES column for the Practice your State follows. Place an "X" in the NO column if the practice does not</p> <p>For sections with only NO responses, describe your State's tax treatment. Additional comments may be added for any response.</p>					

		apply in your State.			
Reference Number	Disclosed Practice 2 - Credits	Taxable	Exempt	Statute/Rule Cite	Comment
Definition	"Tax Paid" means the tax that was (1) paid and (2) previously due from either the seller or the purchaser when the sale of that product is taxable in that state and it was properly sourced based on that state's sourcing rules. "Tax paid" includes tax that was (1) paid and (2) previously due from the purchaser (or seller, if applicable) because the purchaser moved the product to a different jurisdiction. "Tax paid" does not include the portion of tax paid that is currently eligible for a credit or refund or tax paid that is eligible for refund under a tax-incentive program or agreement.				NA, Tennessee has not adopted this definition for tax paid.
Reference Number	2.1 Credit Against Use Tax	Yes	No	Statute/Rule Cite	Comment
Credits 2.1	The State imposing tax on the purchaser provides credit for "sales or use taxes paid" on a product against the State's use tax.			T.C.A. 67-6-507 (a) and 67-6-313(f) Rule 1320-5-1-.91(1)	Tax paid by the purchaser in the other state must be a like tax (i.e., sales or use tax), legally imposed and properly paid. Purchaser is required to have documentation to substantiate proof of payment for credit. Credit is limited to the amount of use tax due in Tennessee.
Reference Number	2.2 Credit Against Sales Tax	Yes	No	Statute/Rule Cite	Comment
Credits 2.2	The State imposing tax provides credit for the "sales or use taxes paid" on a product against the State's sales tax.			T.C.A. 67-6-507	

					Tennessee law only allows for credit for Tennessee tax paid to a vendor on personal property or taxable service that was subsequently resold in Tennessee. Sellers paying sales or use tax on the purchase of property in another state that is resold in Tennessee must obtain a refund from the other state for the sales or use tax paid in the other state on property resold in Tennessee.
Reference Number	2.3 Reciprocity	Yes	No	Statute/Rule Cite	Comment
Credits 2.3.a	The credit the State provides in 2.1 and 2.2 applies regardless of whether another state provides a reciprocal credit.	<input checked="" type="radio"/>	<input type="radio"/>	T.C.A. 67-6-507 (a) and 67-6-313(f) Rule 1320-5-1-.91(1)	2.1 - the tax paid in the other state must be a sales or use tax to receive credit in Tennessee against the use tax due.
Credits 2.3.b.	The credit the State provides in 2.1 and 2.2 only applies when the other state where the tax was paid provides a reciprocal credit.	<input type="radio"/>	<input checked="" type="radio"/>		The tax paid in the other state must be a sales or use tax to receive credit in Tennessee against the use tax due.
Reference Number	2.4 State and Local Sales and Use "Tax Paid"	Yes	No	Statute/Rule Cite	Comment
Credits 2.4.a.	The credit provided for in 2.1 and 2.2 is for the combined amount of state and local "tax paid" to another state or local jurisdiction against both the state and local taxes due to the State.	<input checked="" type="radio"/>	<input type="radio"/>		
Credits 2.4.b.	The credit provided for in 2.1 and 2.2 is for only the state "tax paid" to another state against the taxes due to the State (i.e., no credit for local tax against state tax). If the State has local sales or use taxes, it only provides credit for state tax against state tax and local tax against local tax.	<input type="radio"/>	<input checked="" type="radio"/>		
Reference	2.5 Credit for "Similar Tax" Paid to Another Jurisdiction	Yes	No	Statute/Rule	Comment

Number				Cite	
Credits 2.5	The credit provided for in 2.1 and 2.2 includes "similar taxes" that were (1) paid and (2) previously due to another state or local jurisdiction against the sales or use taxes due. If applicable, list below all known similar or like taxes the State provides credit for even if such tax does not meet the definition of a "similar tax." <i>(State Controlled Item)</i>	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-507 (a) and 67-6-313(f) Rule 1320-5- 1-.91(1)	NA, The tax paid in the other state must be a sales or use tax to receive credit in Tennessee against the use tax due.
Reference Number	2.6. Credit Against "Similar Tax" Imposed by the State	Yes	No	Statute/Rule Cite	Comment
Credits 2.6	The credit provided for in 2.1 and 2.2 includes "sales or use taxes paid" to another state or local jurisdiction against "similar taxes" due. If applicable, list below "similar taxes" imposed that the State provides credits against. <i>(State Controlled Item)</i>	<input type="radio"/>	<input checked="" type="radio"/>		NA, The tax paid in the other state must be a sales or use tax to receive credit in Tennessee against the use tax due.
Reference Number	2.7 Sourcing when Receipt Location is Known	Yes	No	Statute/Rule Cite	Comment
Credits 2.7	The credit provided for in 2.1 and 2.2 applies when the other states' "sales or use taxes" were (1) paid and (2) previously due based on: i) that other state's sourcing rules, or ii) the purchaser's location of use of a product subsequent to the initial sale.	<input type="radio"/>	<input checked="" type="radio"/>		Streamlined sourcing is not scheduled to take effect in Tennessee until 7/1/2017. Credit is not available in Tennessee for taxes paid in other states where the taxpayer incurred the Tennessee tax before a taxable event occurred in another state.
Reference Number	2.8 Sourcing when Receipt Location is Unknown	Yes	No	Statute/Rule Cite	Comment

Credits 2.8	Except as provided in Credits 2.13, the credit provided for in 2.1 and 2.2 applies when the seller sources the initial sale pursuant to the SSUTA Sections 310.A.3, 310.A.4, or 310.A.5, because the location where the product was received by the purchaser was unknown to the seller.	<input checked="" type="radio"/>			Streamlined sourcing is not scheduled to take effect in Tennessee until 7/1/2017. 2.1 - A purchaser will receive credit for sales tax legally imposed and paid in another state, against the amount of use tax due in Tennessee.
Reference Number	2.9 Characterization of Sale	Yes	No	Statute/Rule Cite	Comment
Credits 2.9	The credit provided for in 2.1 and 2.2 applies regardless of the other state's characterization of the product as tangible personal property, a service, digital good, or product delivered electronically.	<input checked="" type="radio"/>			Tennessee would impose tax and give credit based on Tennessee law. Tennessee imposes use tax on tangible personal property, specified digital products, computer software, and computer contracts and warranty contracts covering tangible personal property in Tennessee.
Reference Number	2.10 Sales Price Components	Yes	No	Statute/Rule Cite	Comment
Credits 2.10.a.	2.10.a. Full Credit Allowed - The credit provided for in 2.1 and 2.2 applies to all components of the SSUTA "sales price" definition, whether taxable or nontaxable in the State.	<input checked="" type="radio"/>		T.C.A. 67-6-102 (79)	Tennessee adopted the Streamlined "sales price" definition including all components of the SSUTA sales price definition: delivery charges, installation charges, services necessary to complete the sale and telecommunications nonrecurring charges.
Credits 2.10.b.	2.10.b. Partial Credit Allowed - When taxable and non-taxable charges are itemized on the invoice, the credit provided for in 2.1 and 2.2 is only for the "tax paid" on the taxable components of the sales price in the State.	<input type="radio"/>	<input checked="" type="radio"/>		NA
Reference Number	2.11 Transactions with Taxable and Exempt Products	Yes	No	Statute/Rule Cite	Comment
Credits 2.11.a.	2.11.a. Full Credit Allowed - The credit provided for in 2.1 and 2.2 applies to the full amount of "tax paid" on a transaction consisting of	<input type="radio"/>	<input checked="" type="radio"/>		NA

	payments.			T.C.A. 67-6-507 (a) and 67-6-313(f) Rule 1320-5- 1-.91(1)	
Reference Number	2.15 Inception-Deferred Collection on Lease/Rentals	Yes	No	Statute/Rule Cite	Comment
Credits 2.15	The credit provided for in 2.1 and 2.2 includes the "tax paid" to another state or local jurisdiction on a lease/rental transaction based on a deferred collection/remittance method against the "sales or use taxes" due on the balance of the lease/rental payments.	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-507 (a) and 67-6-313(f) Rule 1320-5- 1-.91(1)	To receive credit the tax must be paid.
Reference Number	2.16 Lessor Acquisition	Yes	No	Statute/Rule Cite	Comment
Credits 2.16	The credit provided for in 2.1 and 2.2 includes the "tax paid" by the lessor to another state or local jurisdiction on the acquisition of the product against the "sales or use taxes" due on the balance of the lease/rental payments provided the tax reimbursement is documented and disclosed to the lessee.	<input type="radio"/>	<input checked="" type="radio"/>	T.C.A. 67-6-204	Tangible personal property purchased for use exclusively to lease or rent may be purchased on a resale certificate. Lessors paying sales or use tax on the purchase of property in another state that is leased in Tennessee must obtain a refund from the other state for the tax paid in the other state on acquisition of property for lease in Tennessee. Tennessee tax is imposed on the lease payments.

