

# Tennessee Certificate of Compliance

**Effective Date:** August 01, 2022

**Approved By:** David Gerregano

**Title:** Commissioner

**Submitted By:** Sherry Hathaway and Michael Ward

**Phone:** 615-351-2183 and 615-770-1935

**Revised Date:** August 01, 2022

As the chief executive of the state’s tax agency, I declare that this Certificate of Compliance is true, correct, and complete to the best of my knowledge and belief.

Changes were made to the following areas of this document (indicated by a "✓"):

- ✓ Answers
- ✓ Laws or Rules
- ✓ Comment (Notes)
- ✓ Effective/Conforming Dates
- ✓ Certificate's Revised Date

Reference Number of changed items (may include a brief description of the change):

Item 305115 - new responses; Item - 317080 - repeal of drop shipment rule and conforming date; Items 322010, 3322020, 322030, 32280 and 328070 - updated for 2022 sales tax holidays; Item 602010 - added comment for a new Tennessee vendor's compensation; Item PD080 - added comment Important Notice 22-05; updated citations.

Each item in this Certificate of Compliance is an administrative practice, process, or definition contained in the Streamlined Sales and Use Tax Agreement (SSUTA) (<http://www.streamlinedsalestax.org/index.php?page=modules>) as amended through December 21, 2021 and related rules and appendices.

This certificate indicates if the state laws, regulations or administrative practices follow the administrative practice, process, or definition. Any exception or further explanation is listed in the notes column.

SECTION	TOPIC DOCUMENT COMMENTS/ REFERENCE TO CRIC INTERPRETATIONS	DESCRIPTION	Is this requirement met by law, regulation or administrative practice (Yes or No). Enter N/A when not applicable.	If so, provide the citation for legal authority (statute, case, regulation, etc.)	For SST conforming changes, provide effective dates.	Notes (e.g., administrative practices, noncompliance explanations, etc.)
Section 107	Presidentially declared states of emergency					
107010	Has the state taken any action affecting their sales and use tax laws or regulations in response to a presidentially declared state of emergency?		No			
107020	Did the state provide at least 30 days between the enactment and the effective date of the legislative or executive action?		NA			

107030	If the state did not provide at least 30 days between the enactment date and the effective date, does the state provide the seller liability relief for incorrectly collecting tax if (1) the seller properly collected the tax based on the law immediately preceding the action; (2) the seller's failure to properly collect the tax does not extend beyond thirty days after the effective date of the action; and (3) any tax collected by the seller must be remitted to the state?		NA			
<b>Section 301</b>	<b>State level administration</b>					
301010		Does the state provide state level administration of state and local sales and use taxes?	Yes	T.C.A. 67-6-401 and 67-6-710(a)(1)		
301020		Are sellers and purchasers only required to register with, file returns and remit funds to a state-level authority?	Yes	T.C.A. 67-6-504, 67-6-601, 67-6-602, and 67-6-608(a)		
301030		Does the state provide for the collection of any local taxes and distribute them to the appropriate taxing jurisdictions?	Yes	T.C.A. 67-6-401, 67-6-710 and 67-6-712	T.C.A. 67-6-103 (g) and 67-6-710	
301040		Are audits conducted only by the state or by others authorized by the state to conduct an audit that includes both state and local taxes?	Yes	T.C.A. 67-6-401, 67-6-523, 67-6-710 and 67-1-102(b)(10)		
301050		Are local jurisdictions prohibited from conducting independent sales or use tax audits of sellers and purchasers except where authorized by state law to conduct an audit for the state and all local jurisdictions, subject to the same confidentiality and other protections and the same administrative and appeal procedures granted audits conducted by the state?	Yes	T.C.A. 67-6-401, 67-6-523 and 67-6-710		
<b>Section 302</b>	<b>State and local tax base</b>					

302010		Is the tax base for local jurisdictions identical to the state tax base, excluding (1) federal prohibitions; (2) motor vehicles, aircraft, watercraft, modular homes, manufactured homes or mobile homes; (3) fuels used to power motor vehicles, aircraft, locomotives, or watercraft; (4) electricity, piped natural or artificial gas or other fuels delivered by the seller; and (5) energy as defined in Section 302(4)?	No	T.C.A. Secs.: 67-6-226 67-6-103(f) 67-6-714  67-6-702(g)(1)  67-6-704  67-6-209(b)  67-6-702(d)		Video programming services (cable TV) monthly charge from \$15.01 to \$27.50 is exempt from local tax and subject to 8.25% state tax.  Interstate and international business telecommunications services exempt from local tax  Electricity, natural or artificial gas, coal, and fuel oil local tax exemption also applies to such fuels that are not delivered by sellers. Also includes local tax exemption for steam and chilled water produced and distributed by energy resource recovery facility in county with metro form of govt.  Contractor's use of tangible personal property in the performance of a contract for nonprofit colleges and universities' property is exempt from state tax and subject to local tax.  Single article local tax limitation on the first \$1,600 of the sales price of tangible personal property.
302020		Does the tax base differ for state and local jurisdictions for motor vehicles, aircraft, watercraft, modular homes, manufactured homes or mobile homes?	Yes	T.C.A. 67-6-702(d)		Single article local tax limitation on the first \$1,600 of the sales price of tangible personal property includes motor vehicles, watercraft, aircraft, manufactured and modular homes.
302030		Does the tax base differ for state and local jurisdictions for fuels used to power motor vehicles, aircraft, locomotives or watercraft?	Yes	T.C.A. Secs. 67-6-217 67-6-704  67-6-202 67-6-704		Aircraft - aviation fuel subject to state tax rate of 4.25%, (reduced from 4.5% effective 7/1/21). Exempt from local tax.  Watercraft - Dyed diesel fuel subject to general state rate of 7%. Exempt from local tax.  Note: Gasoline, liquified gas, compressed natural gas, undyed diesel fuel, and dyed diesel fuel used to power a means of transport are exempt from sales and use and subject to motor fuels and diesel tax. T.C.A. 67-6-329(a)(1) (2), & (5).
302040		Does the tax base differ for state and local jurisdictions for electricity, piped natural or artificial gas or other fuels delivered by the seller?	Yes	T.C.A. Secs.: 67-6-704 67-6-202 67-6-334		Electricity, piped natural or artificial gas, coal and other fuels is exempt from local tax. Local tax exemption also applies to such fuels that <u>are not</u> delivered by the seller. Energy fuels sold to businesses are subject to general state tax rate of 7%.  Note: Residential energy is exempt from state and local s/u tax.
302050		Does the tax base differ for state and local jurisdictions for "energy" as defined in Section 302(4)?	Yes	T.C.A. Secs.: 67-6-206(b)(1) 67-6-702(b) 67-6-704		Energy fuel for qualified mfrs. is exempt from local tax and subject to 1.5% state tax rate. Water for qualified mfrs. is subject to 1.0% state tax rate and .5% local tax rate.
302055?	This isn't a compliance issue but is something sellers and their agents should know.	C.1. Does the state allow the reporting of items with a different local base on the SER?	Yes			Only taxpayers that register in Tennessee through the Streamlined Registration System that do not have any locations in Tennessee may file using the SER. T.C.A. 67-6-601(a)

302060	This isn't a compliance issue but is something sellers and their agents should know.	C.2. Does the state provide information on the different bases in a separate boundary file using the format approved by the Governing Board?	No			
302065	This isn't a compliance issue but is something sellers and their agents should know.	C.4. Did the state notify the Governing Board that it requires the separate reporting of these taxes on the SER and make the requirement effective no sooner than the first day of a calendar quarter beginning at least 6 months after notifying the Governing Board?	No			
<b>Section 303</b>	<b>Seller registration</b>					
303010		Is the state capable of pulling registration information from the central registration system?	Yes	T.C.A. 67-6-608	P.C. 602 (2007) Sec. 117 Eft. 1-1-08	
303020		Does the state exempt a seller without a legal obligation to register from paying registration fees?	Yes			No fee charged for registration.
303030		Does the state allow a seller to register on the central registration system without a signature?	Yes			
303040		Does the state allow an agent to register a seller on the central registration system?	Yes	T.C.A. 67-6-608		
<b>Section 304</b>	<b>Notice for state tax changes</b>					
304010	Failure to meet these does not take a state out of compliance.	A1. Does the state provide sellers with as much advance notice as practicable of a rate change?	Yes			
304020		A2. Does the state limit the effective date of a rate change to the first day of a calendar quarter?	No			
304030		A3. Does the state notify sellers of legislative changes in the tax base and amendments to sales and use tax rules and regulations?	Yes			After the legislative session each year the Department issues notices regarding statute changes, posts hot topic and legislative summaries and other information to the web site, conducts taxpayer seminars across the state, and conducts online training to notify taxpayers of law changes.
304040		C. Does the state relieve the seller of liability for failing to collect tax at the new rate if the state fails to provide for at least thirty days between the enactment of the statute providing for a rate change and the effective date of such rate change if (1) the seller collected tax at the immediately preceding effective rate and (2) the seller's failure to collect at the newly effective rate does not extend beyond thirty days after the date of enactment of the new rate? Note: This liability relief does not apply if the state establishes the seller fraudulently failed to collect tax at the new rate or solicits purchasers based on the immediately preceding rate.	No			However, the Commissioner may determine it is appropriate and instruct Audit that no assessment should be made for the first 30 days a statute is in effect and to remove such sales data for that tax reporting period from audit samples.
<b>Section 305</b>	<b>Local rate and boundary change</b>					

305010		Does the state have local jurisdictions that levy a sales or use tax? If yes, answer the following questions.	Yes			
305020		A. Does the state limit the effective date of local rate changes to the first day of a calendar quarter after a minimum of 60 days notice?	No	T.C.A. 67-6-706 (a)(3)		The local tax rate may not become effective until the first day of a month occurring at least 30 days after the operative date (official canvass of election returns). Department issues notices for local tax rate changes that are effective the first day of a month that is at least 30 days following notice publication.
305030		B. Does the state limit the effective date of local rate changes from catalog sales wherein the purchaser computed the tax based on local tax rates published in the catalog only on the first day of a calendar quarter after a minimum of 120 days notice?	No			
305040		C. Does the state limit local boundary changes for the purposes of sales and use taxes to the first day of calendar quarter after a minimum of 60 days notice?	No			
305050		D. Does the state provide and maintain a database with boundary changes?	Yes	T.C.A. 67-6-806	P.C. 602 (2007) Sec. 124 Eft. 1-1-08	Creation of database completed in May 2005
305060		E. Does the state provide and maintain a database identifying all jurisdictional rate information using the FIPS codes?	Yes	T.C.A. 67-6-806	P.C. 602 (2007) Sec. 124 Eft. 1-1-08	Creation of address & 5 digit zip code database was completed in May 2005 and January 2007 the update with 9 digit code information was completed and also available in a downloadable format.
305070		F1. Does the state provide and maintain a database that assigns each five digit and nine digit zip code within the member state to the proper tax rate and jurisdiction?	Yes	T.C.A. 67-6-806	P.C. 602 (2007) Sec. 124 Eft. 1-1-08	
305080		F2. Does the state apply the lowest combined tax rate imposed in a zip code if the area in that zip code includes more than one tax rate?	Yes	T.C.A. 67-6-806	P.C. 602 (2007) Sec. 124 Eft. 1-1-08	The data base includes addresses and 5 and 9 digit zip codes and does apply the lowest local tax rate and a jurisdiction code where an area is identified as including more than 1 local tax rate and jurisdiction,
305090		G. Does the state provide address-based boundary database records for assigning taxing jurisdictions and their associated rates? If yes, answer the following questions.	Yes	T.C.A. 67-6-806	P.C. 602 (2007) Sec. 124 Eft. 1-1-08	Tennessee's database is also an address-based system.
305100		1. Are the records in the same format as database records in F?	Yes	T.C.A. 67-6-806	P.C. 602 (2007) Sec. 124 Eft. 1-1-08	
305110		2. Do the records meet the requirements of the Federal Mobile Telecommunications Sourcing Act?	Yes	T.C.A. 67-6-806	P.C. 602 (2007) Sec. 124 Eft. 1-1-08	

305115		3. Does the state require that sellers and CSPs, in order to obtain the liability relief provided under Section 306 of this Agreement, use the address-based database records provided by that member state?	Yes	T.C.A. 67-6-806 & 67-6-533 & 67-6-523	P.C. 602 (2007) Sec. 124, 110 Eft. 1-1-08	Creation of address & 5 digit zip code database was completed in May 2005. In January 2007 the update with 9 digit code information was completed and also available in a downloadable format.
305120	(about blank) SSTGB Rule 502	(about blank) H. If the state has met the requirements of subsection (F) and elected to certify vendor provided address-based databases for assigning tax rates and jurisdiction:	No			
305130		1. Are those databases in the same format as the database records approved pursuant to (G) of this section?	NA			
305140		2. Do those databases meet the requirements of the Federal Mobile Telecommunications Sourcing Act (4 U.S.C.A. Sec. 119 (a))?	NA			
<b>Section 306</b>	<b>Relief from certain liability</b>					
306010		Does the state relieve sellers and CSPs from liability to the state and its local jurisdictions for collecting the incorrect amount of tax because of reliance on state provided data on rates, boundaries, and jurisdiction assignments?	Yes	T.C.A. 67-6-533	P.C. 602 (2007) Sec. 110 Eft. 1-1-08	Prior to 1-1-08 such relief of liability was available to CSP's and their Model 1 Sellers.
<b>Section 307</b>	<b>Database requirements and exceptions</b>					
307010		A. Does the state provide a database per Section 305, in downloadable format?	Yes	T.C.A. 67-6-806	P.C. 602 (2007) Sec. 124 Eft. 1-1-08	
307020		If the state designates a vendor to provide the Section 305 database does the vendor's database meet the requirements of Sections 305, 306 and 307 and is provided at no cost to the user of the database?	NA			
<b>Section 308</b>	<b>State and local tax rates</b>					
308010		A1. Does the state have more than one state sales and use tax rate on items of personal property or services other than (1) fuel used to power motor vehicles, aircraft, locomotives, or watercraft; (2) electricity, piped natural or artificial gas, or other fuels delivered by the seller; (3) the retail sale or transfer of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes; or (4) energy as defined in Section 302(4)?	Yes	T.C.A. Secs. 67-6-226 67-6-103(f) 67-6-102 (106) 67-6-227 67-6-221(a) 67-6-219 67-6-202(a) 67-6-702(d)	T.C.A. Secs. 67-6-207 amended 67-6-218 repealed. Agriculture Eft. 1-1-08.	Video programming services (Cable TV) monthly charge from \$15.01 - \$27.50 is subject to 8.25% state tax rate  Direct-to-home satellite TV is subject to 8.25% state tax rate  Business interstate and international telecom is subject to 7.5% state tax rate  Tangible personal property sold in Tennessee to common carrier for export and use out of state is subject to 3.75% state tax rate  An additional state tax at the rate of 2.75% applies to the sales price of a single article of tangible personal property from \$1,600 to \$3,200.

308020		A2. Does the state have a single additional tax rate on food and food ingredients and drugs as defined by state law pursuant to the Agreement?	No	T.C.A. 67-6-228		Tennessee applies a reduced state tax rate (currently 4%) to food and food ingredients. Drugs that are not fully exempt from tax are subject to regular state tax rate.  Tennessee does have other state and local tax rates. See 308010 and and 308030.
308030		B1. If the state has local jurisdictions with a sales or use tax, does any local jurisdiction have more than one sales tax rate or one use tax rate?	Yes	T.C.A. Secs. 67-6-702(g)(2)  67-6-702(g)(1)  67-6-702(g)(4)  67-6-702(e)	Pub. Chapter 491 (2019) Secs. 2 and 3 eft. 10-1-19 repeals the option to use a 2.25% uniform local tax rate for sales shipped or delivered into TN.	Intrastate telecom and ancillary service is subject to 2.5% local tax rate  Residential interstate and international telecom subject to 1.5% local tax rate  Specified digital products is subject to 2.5% local tax rate  Tangible personal property sold in Tennessee to common carrier for export and use out of state is subject to 1.5% local tax rate.  Note: Water sold to qualified mfrs. is subject to .5% local tax rate. T.C.A. 67-6-702(b)
308040		B2. If the state has local jurisdictions with a sales and use tax are the local sales and use tax rates identical?	Yes	T.C.A. 67-6-203 (a) and 67-6-702(a)(1)		
308045	This isn't a compliance issue but is something sellers and their agents should know.	D.1. Does the state allow the reporting of items with a different local rate on the SER?	Yes			Only taxpayers registering in Tennessee through the Streamlined Registration System that do not have locations in the state may file using the SER. T.C.A. 67-6-601(a)
308050	This isn't a compliance issue but is something sellers and their agents should know.	D.2. Does the state provide information on the different rate in a separate boundary file using the format approved by the Governing Board?	No			
308055	This isn't a compliance issue but is something sellers and their agents should know.	D.4. Did the state notify the Governing Board that it requires the separate reporting of these taxes on the SER and make the requirement effective no sooner than the first day of a calendar quarter beginning at least 6 months after notifying the Governing Board?	No			
<b>Section 310</b>	<b>General sourcing rules</b>					
		A. Does the state source a retail sale, excluding lease or rental, of a product as follows:	No			
310010	CRIC INTERPRETIVE OPINION 2007-2	1. If received at business location of seller, then sourced to that location?	Yes	Rule: 1320-05-02-.05(1)		

310020		2. If not received at business location of seller, then sourced to location of receipt?	No	<p>T.C.A. 67-6-102(86)</p> <p>Rules: 1320-05-02-.05(1)</p> <p>1320-05-02-.05(2)</p> <p>T.C.A. 67-6-233</p> <p>T.C.A. 67-6-231</p> <p>T.C.A. 67-6-515(a)</p>		<p>Definition of "sale" includes the transfer of title or possession of tangible personal property. See entire definition of "sale."</p> <p>Sales subject to tax made to a purchaser from any place of business within a local jurisdiction in Tennessee to a purchaser anywhere within the physical limits of Tennessee or for delivery to a place within the physical limits of Tennessee is sourced to the seller's business location. Taxable services performed from a place of business in Tennessee is sourced to the seller's business location even if any serviced tangible personal property is shipped out of state.</p> <p>Sales subject to tax made from out of state to a purchaser within the physical limits of Tennessee are sourced to the shipped to or delivery address of the purchaser. Taxable services to tangible personal property performed out of state are not subject to use tax in Tennessee.</p> <p>Specified digital products and video game digital products sales made from out of state is sourced to the residential street address or primary business address of the subscriber or purchaser. See Important Notice 15-13</p> <p>Remotely accessed software sales made from out of state that is accessed from a location in Tennessee is sourced to the residential street address or primary business address of the subscriber or purchaser. See Important Notice 15-14</p> <p>Marketplace facilitators source sales sold through its marketplace based on the address the tangible personal property or taxable things are shipped. However, services sold through its marketplace are sourced as otherwise provided in the sales tax statutes.</p> <p>Note: Out of state sellers who collect and remit Tennessee sales and use tax must report their sales based on the shipped to or delivered to address in the incorporated municipality or unincorporated area of a county of the purchaser. This applies even if the county and municipality local tax rate is the same. See Important Notice 19-05. Public Chapter 491 (2019) Eft. 10-1-2019</p>
310030		3. If subsections 1 & 2 do not apply, then sourced to address of purchaser in business records of seller that are maintained in ordinary course of seller's business?	No			

310040		4. If subsections 1, 2 & 3 do not apply, then sourced to address of purchaser obtained during consummation of sale, including address of purchaser's payment instrument, if no other address is available?	No			
310050		5. If subsections 1, 2, 3 & 4 do not apply, including the circumstance in which the seller is without sufficient information to apply the previous rules, then sourced to location from which tangible personal property was shipped, from which digital good or computer software delivered electronically was first available for transmission by seller, or from which service was provided.	No			
		B. Does the state source a lease or rental of tangible personal property as follows:	No			
310060		1. If recurring periodic payments, the first periodic payment is sourced the same as a retail sale. Subsequent payments are sourced to the primary property location for each period covered by the payment?	No	Rules: 1320-05-01-.32(2) 1320-05-02-.05(1)		A lease of tangible personal property from any place of business within a local jurisdiction in Tennessee and the lessee takes possession/ delivery of the tangible personal property in Tennessee, regardless of where the property will be taken or used by the lessee, is sourced to the lessor's place of business within a local jurisdiction in Tennessee for the period of the lease.  A lease of tangible personal property from out of state and the tangible personal property is delivered to the lessee in Tennessee is sourced to the lessee's address for the property location in Tennessee.  Tangible personal property leased out of state and during the lease period the primary property location is moved to Tennessee, the subsequent periodic payments are subject to use tax in Tennessee based the lessee's address for the property location in Tennessee.
310070		2. If no recurring periodic payments, then sourced in accordance with rules of retail sale?	No			See 310060
	CRIC INTERPRETIVE OPINION 2006-3	C. Does the state source a lease or rental of motor vehicles, trailers, semi-trailers, or aircraft that do not qualify as transportation equipment as follows:	No			
310080		1. If recurring periodic payments, then sourced to primary property location?	No			
310090		2. If no recurring periodic payments, then sourced in accordance with rules of retail sale?	No			
310100		D. Does the state source the retail sale, including lease or rental, of transportation equipment in accordance with rules for retail sale?	No			

310110		1. Does the state define transportation equipment pursuant to in Section 310, subsection D?	No			
<b>Section 310.1</b>	<b>Election for Origin-Based sourcing</b>	<b>Effective January 1, 2010</b>				
310500	CRIC INTERPRETIVE OPINION 2010-1	Has the state elected to source the retail sale, excluding lease or rental, of tangible personal property and digital goods on where the order is received?	No			See 310020
310510		Does the state comply with all the provisions of 310.1 B and C?	No			
<b>Section 311</b>	<b>General sourcing definitions</b>					
311010	SSTGB RULES 311.1, 311.2 and 311.3	For the purposes of Section 310, subsection (A), does the state define the terms "receive" and "receipt" to mean: taking possession of tangible personal property, making first use of services, or taking possession or making first use of digital goods, whichever comes first? Note: The terms "receive" and "receipt" do not include possession by a shipping company on behalf of the purchaser.	No			
<b>Section 313</b>	<b>Direct mail sourcing</b>					
313010	SSTGB RULES 313.1	A 2. For advertising and promotional Direct Mail, does the state provide that upon receipt of a direct mail form or Exemption Certificate claiming direct mail, or other written statement approved by the state, the seller, in the absence of bad faith, is relieved of all obligations to collect, pay or remit the tax to which the permit pertains?	No			Tennessee has posted the Streamlined Certificate of Exemption with the direct mail reason code grayed out.  See 310020.
313020		A 3. Does the state provide that upon receipt of jurisdictional information, the seller shall collect tax according to purchaser's submitted information and in the absence of bad faith, seller is relieved of further liability?	No			
313030		A 4. For advertising and promotional Direct Mail, does the state require the seller to collect tax pursuant to Section 310 (A)(5) if the purchaser does not provide a direct pay permit, Exemption Certificate claiming direct mail, or jurisdictional information?	No			
313040		B 1. For other Direct Mail, does the state require the seller to collect tax pursuant to Section 310 (A)(3) if the purchaser does not provide a direct pay permit or an Exemption Certificate claiming direct mail?	No			Billing services and other print-mail services where the seller is creating individualized statements/ bills and mailing to recipients that are not the purchaser are nontaxable services in Tennessee. The Streamlined Certificate of Exemption on Tennessee's website has direct mail reason code grayed out.

313050		B 3. For other Direct mail does the state provide that upon receipt of a direct pay permit, Exemption Certificate claiming direct mail, or other written statement approved by the state, the seller, in the absence of bad faith, is relieved of all obligations to collect, pay or remit the tax?	No			
<b>Section 313.1</b>	<b>Origin-based direct mail sourcing</b>					
313510		A. Has the state adopted the origin-based direct mail sourcing?	No			
<b>Section 314</b>	<b>Telecom sourcing rule</b>					
314010	SSTGB RULE 314.1	A. Except as required in subsection C below, does the state source telecommunication services sold on a call-by-call basis to each level of taxing jurisdiction where the call originates and terminates in that jurisdiction or each level of taxing jurisdiction where the call either originates or terminates and in which service address is located?	Yes	T.C.A. 67-6-905 (b)		
314020		B. Except as required in subsection C below, does the state source telecommunication service to the customer's place of primary use if sold on a basis other than call-by-call basis?	Yes	T.C.A. 67-6-905 (c)		
314030		C1. Does the state source the sale of mobile telecommunication service, other than air-to-ground radiotelephone service and prepaid calling service, to customer's place of primary use as required under Mobile Telecommunications Sourcing Act?	Yes	T.C.A. 67-6-905 (d)(1)		
314040		C2. Does the state source the sale of post-paid calling service to the origination point of the telecommunication signal as first identified by either the seller's telecommunication system or information received by the seller from its service provider, where system used to transport signals is not that of the seller?	Yes	T.C.A. 67-6-905 (d)(2)		
314050		C3. Does the state source the sale of prepaid wireless calling service and prepaid calling services in accordance with Section 310 of the Agreement, including the option of the location associated with the mobile telephone number for prepaid wireless calling service?	No	T.C.A. 67-6-230		Prepaid calling services and prepaid wireless calling services are subject to tax at the time of sale using Tennessee origin-based sourcing for in-state sales. Sales from out of state would be sourced to the customer's place of primary use.  See 310020.
314060		C4a. For the sale of private communication service, does the state source a separate charge related to a customer channel termination point to each level of jurisdiction in which such customer channel termination point is located?	Yes	T.C.A. 67-6-905 (d)(3)(A)		

314070		C4b. For the sale of private communication service, does the state source to the jurisdiction in which the customer channel termination points are located when all customer termination points are located entirely within one jurisdiction or levels of jurisdictions?	Yes	T.C.A. 67-6-905 (d)(3)(B)		
314080		C4c. For the sale of private communication service, does the state source fifty percent in each level of jurisdiction in which the customer channel termination points are located when service for segments of a channel between two customer channel termination points located in different jurisdictions and which segment of channel are separately charged ?	Yes	T.C.A. 67-6-905 (d)(3)(C)		
314090		C4d. For the sale of private communication service, does the state source to each jurisdiction based on the percentage determined by dividing the number of customer channel termination points in such jurisdiction by the total number of customer channel termination points when service for segments of a channel located in more than one jurisdiction or levels of jurisdiction and which segments are not separately billed?	Yes	T.C.A. 67-6-905 (d)(3)(D)		
314100		D. Does the state source the sale of Internet access service to the customer's place of primary use?	NA	NA		
314110		E. Does the state source the sale of an ancillary service to the customer's place of primary use?	Yes	T.C.A. 67-6-905 (c)		
<b>Section 315</b>	<b>Telecom sourcing definitions</b>					
		Does the state define the following terms in sourcing telecommunications:				
315010		A. Air-to-ground radiotelephone service?	Yes	T.C.A. 67-6-905 (a)(1)		
315020		B. Ancillary services?	Yes	T.C.A. 67-6-102 (7) and 67-6-905(c)		
315030		C. Call-by-call basis?	Yes	T.C.A. 67-6-905 (a)(2)		
315040		D. Communications channel?	Yes	T.C.A. 67-6-905 (a)(3)		
315050		E. Customer?	Yes	T.C.A. 67-6-905 (a)(4)		
315060		F. Customer channel termination point?	Yes	T.C.A. 67-6-905 (a)(5)		
315070		G. End user?	Yes	T.C.A. 67-6-905 (a)(6)		
315080		H. Home service provider?	Yes	T.C.A. 67-6-905 (a)(7)		
315090		I. Mobile telecommunications service?	Yes	T.C.A. 67-6-905 (a)(8)		
315100		J. Place of primary use?	Yes	T.C.A. 67-6-905 (a)(9)		

315110		K. Post-paid calling service?	Yes	T.C.A. 67-6-905 (a)(10)		The definition of post-paid calling services needs minor non-substantive revision to insert the phrase "except a prepaid wireless calling service," The definition is administered consistent with the Agreement.
315120		L. Prepaid calling service?	Yes	T.C.A. 67-6-102 (72)		
315130		M. Prepaid wireless calling service?	Yes	T.C.A. 67-6-102 (73)		
315140		N. Private communication service?	Yes	T.C.A. 67-6-905 (a)(11)		
315150		O. Service address?	Yes	T.C.A. 67-6-905 (a)(12)		
<b>Section 316</b>	<b>Enactment of Exemptions</b>					
316010		Product-based exemptions. If the state exempts a product that is defined in Part II of the Library of Definitions does the state do so consistent with Part II and Section 327?	Yes	T.C.A. 67-6-207 and 67-6-301 thur 67-6-392	T.C.A. Secs. 67-6-102 product definitions 67-6-228, 67-6-229, 67-6-230, 67-6-231, 67-6-314, 67-6-320, 67-6-329, 67-6-337  P.C. 602 (2007)Secs. 61, 68, 83, 84, 85, 86, 89, 92, 93, 96. Eft. 1-1-08  P.C. 1106 (2008)Sec. 9 Eft. 6-5-08 & Sec. 18-22 Eft. 1-1-09	
316020		Product-based exemptions. Can the state confirm that where the Agreement has a definition for a product that the state exempts, the state does not exempt specific items included within that product definition unless the definition sets out an exclusion for such item.	Yes	T.C.A. 67-6-207 67-6-301 thur 67-6-392	T.C.A. Secs. 67-6-102 product definitions. 67-6-228, 67-6-229, 67-6-230, 67-6-231, 67-6-314, 67-6-320, 67-6-329, 67-6-337  P.C. 602 (2007)Secs. 61, 68, 83, 84, 85, 86, 89, 92, 93, 96. Eft. 1-1-08  P.C. 1106 (2008)Sec. 9 Eft. 6-5-08 & Sec. 18-22 Eft. 1-1-09	

316030		Entity and Use-based exemptions. If the state has enacted an entity or use-based exemption for a product that is defined in Part II of the Library of Definitions does the state do so consistent with Part II and Section 327?	Yes	T.C.A. 67-6-207, 67-6-319, 67-6-348, 67-6-356, 67-6-389, 67-6-390, 67-6-395	T.C.A. Secs. 67-6-207, 67-6-219, 67-6-229, 67-6-329, 67-6-337, 67-6-351, 67-6-389, 67-6-387, P.C. 602 (2007) Secs. 79, 82, 84, 93, 96, 98, 99, 100. Eft. 1-1-08  P.C. 1106 (2008) Sec. 22 Eft. 1-1-09	
316040		Use-based exemptions. Can the state confirm that any use-based exemption for an item does not constitute a product-based exemption for a product defined in the Agreement that includes such item?	Yes	T.C.A. 67-6-207, 67-6-319, 67-6-348, 67-6-356, 67-6-389, 67-6-390, 67-6-395	T.C.A. Secs. 67-6-207, 67-6-219, 67-6-229, 67-6-329, 67-6-337, 67-6-351, 67-6-389 67-6-387  P.C. 602 (2007)Secs. 79, 82, 84, 93, 96, 98, 99, 100 Eft. 1-1-08  P.C. 1106 (2008)Secs. 22 Eft. 1-1-09	
<b>Section 317</b>	<b>Administration of exemptions</b>					
	SSTGB RULE 317.1	A. Does the state provide for the following in regard to purchasers claiming exemption:				
317010		1. Seller shall obtain identifying information from purchaser and reason for claiming exemption?	Yes	T.C.A. 67-6-409 (a)(1)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
317020		2. Purchaser is not required to provide signature, unless paper exemption certificate?	Yes	T.C.A. 67-6-409 (a)(2)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
317030		3. Seller shall use standard form for claiming exemption electronically?	Yes	T.C.A. 67-6-409 (a)(2)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
317040		4. Seller shall obtain same information for proof regardless of medium?	Yes	T.C.A. 67-6-409 (a)(2)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
317050		5. Does the state issue identification numbers to exempt purchasers that must be presented to sellers?	Yes	T.C.A. Secs. 67-6-102(46) 67-6-206, 67-6-207, 67-6-219, 67-6-322, 67-6-330, 67-6-356, & 67-6-389	67-6-206 - industrial machinery; 67-6-102(46)(M) - research and development 67-6-102(46)(I) - warehouse and distribution material handling and racking system 67-6-207 - farmers, nurserymen; 67-6-219 - common carriers; 67-6-322 - non-profit entities; 67-6-389 - private communications for headquarters qualified entities; 67-6-330(a)(16) - health/fitness clubs; 67-6-356 - call centers	

317060		6. Seller shall maintain records of exempt transaction and provide to state when requested?	Yes	T.C.A. 67-6-409 (a)(4)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
317070	The Governing Board has not defined "does not burden sellers." The burden is on each state to prove that something other than a direct-pay permit or exemption certificate meets this provision.	7. Does the state administer use-based and entity-based exemptions when practicable through a direct pay permit, an exemption certificate, or another means that does not burden sellers.	Yes	T.C.A. 67-6-409	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
317080	SSTGB RULE 317.2	8. In the case of drop shipment sales, does the state allow a third party vendor to claim a resale exemption based on an exemption certificate provided by its customer/re-seller or any other acceptable information available to the third party vendor evidencing qualification for a resale exemption, regardless of whether the customer/re-seller is registered to collect and remit sales and use tax in the state where the sale is sourced?	Yes Eft. 1-10-22	T.C.A. 67-6-102 (83)(A) & Rule 1320-05-01-.29(2)  Repealed - Rule 1320-05-01-.96 Eft. 1-10-22		Other state resale certificates may be accepted by Tennessee suppliers for goods drop shipped to out-of-state dealer's Tennessee customers. A Tennessee supplier may accept a resale certificate issued by another state or a fully completed Streamlined Sales and Use Tax Exemption Certificate that includes the tax ID number issued by the other state to make drop shipped sales for resale without tax. Rule 1320-05-01-.96 has been repealed effective 1-10-22. See important notice 22-01 Drop Shipment Rule Repealed.
317090		B. Does the state relieve the seller from any tax if it is determined that the purchaser improperly claimed an exemption and hold the purchaser liable for the tax, assuming the exceptions in the section?	Yes	T.C.A. 67-6-409 (b)(1)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
317100		C. Does the state relieve a seller of the tax otherwise applicable if the seller obtains a fully completed exemption certificate or captures the relevant data elements required under the Agreement within 90 days subsequent to the date of sale?	Yes	T.C.A. 67-6-409 (b)(1)		Tennessee has not yet adopted legislation defining the time period for "time of sale" as within 90 days of the sale. The Department currently interprets "at the time of purchase" to mean that sellers must obtain a fully completed certificate or the identifying information in electronic format within 90 days subsequent to the time of purchase. Absent fraud or illegal solicitation, when the seller obtains a fully completed certificate at the time of sale or within 90 days subsequent to the time of sale, the seller is not liable for sales if it is determined the purchaser improperly claimed an exemption.
317110	CRIC INTERPRETIVE OPINION 2011-3	D.1. Does the state provide the seller with 120 days subsequent to a request for substantiation by a state, if the seller has not obtained an exemption certificate as provided in C, to obtain an exemption certificate or other information establishing the transaction was not subject to tax?	Yes	T.C.A. 67-1-1501 (b)		Tennessee has not yet adopted legislation for the 90-day period for obtaining exemption certificates at the "time of sale or purchase" or the subsequent 120-day period for sellers under audit that failed to obtain exemption certificates within the 90-day period to substantiate exemption for non-taxed sales. An audited seller may, within the statute of limitations for such audit, substantiate an exemption for nontaxed sales.

317120		D.2. Subsequent to the 90-day period provided in C, does the state relieve a seller of the tax for exemption certificates taken in good faith or other information establishing the transaction was not subject to tax that are obtained by the seller as provided in D.1.?	Yes			Tennessee has not yet adopted legislation defining the good faith standard and its application to exemption documentation obtained after the 90-day period. Currently, when a fully completed certificate or electronic identifying information is obtained by the seller after the 90 days following the date of the sale, the seller is liable for tax unless the certificate or electronic identifying information was taken in good faith.
317130		G. Does the state post the Streamlined Exemption Certificate on its website?	Yes			
317140	The answer to this question does not impact certification, but it would provide useful information to taxpayers.	2. Does the state require purchasers to update exemption certificate information or to reapply with the state to claim certain exemption?	No, except in the case of TN Sales and Use Tax Agricultural Exemption Certificate and nonprofit exemption certificates	T.C.A. 67-6-409 (b)(1)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	T.C.A. 67-6-207(c) farmers and nurserymen must qualify for and receive a new certificate every 4 years. In addition, T.C.A. 67-6-322 nonprofit exemption certificates are reviewed and reissued every 4 years that includes a current effective date.
317150		3. Does the state relieve a seller of tax if the seller obtains a blanket exemption certificate for a purchaser with which the seller has a recurring business relationship?	Yes	T.C.A. 67-6-409 (b)(1)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
<b>Section 318</b>	<b>Uniform tax returns</b>					
318010		A. Does the state require the filing of only one tax return for each taxing period for each seller for the state and all local jurisdictions?	No	T.C.A. 67-6-504 (a)		Tennessee requires taxpayers to submit a single consolidated return filing that includes separate return filing information for each in-state location (location profile/ID) plus one location (profile/ID) for all sales from out of state.
318020		B.1. Does the state require that returns be filed no sooner than the twentieth day of the month following the month in which the transaction occurred?	Yes	T.C.A. 67-6-504 (a) and 67-6-536(d)	2007 P.C. 602 Sec. 113 Eft. 1-1-08	
318030		B.2. Does the state provide when the due date for a return falls on a Saturday or Sunday or legal holiday, the return shall be due the next succeeding business day.	Yes	T.C.A. 4-1-402		
318040		C.1. Does the state accept the SER approved by the governing board?	Yes - See Comments	T.C.A. 67-6-504 (a) and 67-6-536(a)	2007 P.C. 602 Sec. 113 Eft. 1-1-08	Currently T.C.A. 67-6-536(a) provides Model 1 & 2 sellers with no locations in TN may file using the SER format. In addition, under the commissioner's authority in T.C.A. 67-6-504(a) and 67-6-601 et. seq. any remote seller <u>that does not have a location in TN</u> may use the Streamlined SER for filing returns in Tennessee.
318050		C 2. Does the state require the submission of exemption information on part 2 of the SER, excluding Model 4 sellers without a legal requirement to register?	Yes	T.C.A. 67-6-504 (a)		Tennessee has notified the Governing Board of the requirement of exemption information on part 2 of the SER.

318060		C.3. Does the state allow Model 1, Model 2, and Model 3 sellers to submit its sales and use tax returns in a simplified format that does not include more data fields than permitted by the governing board?	Yes - See Comments	T.C.A. 67-6-504 (a) and 67-6-536(a)	2007 P.C. 602 Sec. 113 Eft. 1-1-08	Currently T.C.A. 67-6-536(a) provides <u>Model 1 &amp; 2 sellers with no locations in TN may file using the SER format</u> . In addition, under the commissioner's authority in T.C.A. 67-6-504(a) and 67-6-601 et. seq. any remote seller <u>that does not have a location in TN</u> may use the Streamlined SER for filing returns in TN.
318070		C 3.c. Does the state allow a model 4 seller to file an SER?	Yes - See Comments	T.C.A. 67-6-504 (a) and 67-6-536(a)	2007 P.C. 602 Sec. 113 Eft. 1-1-08	Under the commissioner's authority in T.C.A. 67-6-504(a) and 67-6-601 et. seq. any remote seller registered through the Streamlined Central Registration System <u>that does not have a location in TN</u> may use the Streamlined SER for filing returns in TN.
318080	Effective 1-1-2013	C.3.d. Does the state allow sellers not registered under the Agreement to file an SER?	No	T.C.A. 67-6-504 (a) and 67-6-536(a)	2007 P.C. 602 Sec. 113 Eft. 1-1-08	See 318070
318090		D. Does the state require the filing of a return from a seller who registers under the Agreement and indicates that it anticipates making no sales that would be sourced to that state?	No	T.C.A. 67-6-504 (a)		Sellers that select TN in the Streamlined Central Registration System and <u>do not have a location in TN</u> , are placed in a non-filing status until such time as the seller files its first return at which time an appropriate filing frequency is determined for the seller.
318095	Required by 1-1-2019	E. Has the state adopted webservices as the standardized transmission process that allows for receipt of uniform tax returns and other formatted information approved by the Governing Board?	Yes			
318100		F. Does the state give notice to a seller registered under the Agreement, that has no legal requirement to register in a state, who failed to file a return, a minimum 30 days notice prior to establishing a liability amount for taxes based solely on the seller's failure to timely file?	Yes			A minimum of 30 days is given on all sales and use taxpayer accounts prior to the creation of an estimated liability and mailing of a delinquency notice for failure to timely file.
<b>Section 319</b>	<b>Uniform rules for remittance of funds</b>					
319010		A1. Does the state require more than one remittance for each return?	No	T.C.A. 67-6-504	2007 P.C. 602 Sec. 106 Eft. 1-1-08	Tennessee requires taxpayers submit a consolidated return filing that includes separate return information for each location (location profile/ID). A Taxpayer filing electronically in TNTAP may make a single payment for the consolidated filing that includes the return filling for each location. Taxpayers filing paper returns may submit one check remitting tax for multiple returns.
319020		A2. If the state requires more than one remittance for each return does it do so only if: (1) seller collects more than \$30,000 in sales and use taxes in state during preceding year, (2) any additional remittance to be determined through a calculation method, and (3) the seller is not required to file additional return?	NA		2007 P.C. 602 Sec. 106 Eft. 1-1-08	

319030		C. Does the state allow payment to be made by both ACH Credit & ACH Debit?	Yes	T.C.A. 67-6-536 (c)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
319040		D. Does the state provide an alternative method for "same day" payment if electronic fund transfer fails (electronic check or Fed Wire)?	Yes	T.C.A. 67-6-536 (c)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
319050		E 1. Does the state provide that if a due date falls on a Saturday, Sunday or a legal holiday in the state, the taxes are due on the next succeeding business day?	Yes	T.C.A. 4-1-402		Tennessee also does this administratively under the statutory powers granted the commissioner to administer the assessment and collection.
319060		E 2. Does the state provide that if a due date falls on a day the Federal Reserve Bank is closed, the taxes are due on the next day the Federal Reserve Bank is open?	Yes	T.C.A. 4-1-402		Tennessee also does this administratively under the statutory powers granted the commissioner to administer the assessment and collection.
319070		F. Does the state require that any data that accompanies a remittance to be formatted using uniform tax type and payment type codes?	Yes	T.C.A. 67-6-403		Tennessee commissioner has broad authority to adopt forms in current law.
<b>Section 320</b>	<b>Uniform rules for recovery of bad debts</b>					
320010		A. Does the state allow a seller to take a deduction from taxable sales for bad debts?	Yes	T.C.A. 67-6-507 (e)(1)(2) & (3)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
320020		B. Does the state use the definition of bad debt found in 26 U.S.C. Sec. 166 as basis for calculating a bad debt recovery, excluding: financing charges or interest; sales or use taxes charged on purchase price; uncollectible amounts on property that remains in possession of seller until full price paid; expenses incurred in attempt to collect debt, and repossessed property?	Yes	T.C.A. 67-6-507 (e)(2)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
320030		C1. Does the state allow bad debts to be deducted on the return for the period during which the bad debt is written off as uncollectible on and is eligible be deducted for federal income tax purposes?	Yes	T.C.A. 67-6-507 (e)(3)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
320040		C2. If the seller is not required to file a federal income tax return does the state allow bad debts to be deducted on the return for the period during which the bad debt is written off as uncollectible on and would be eligible be deducted for federal income tax purposes if the seller was required to file a federal return?	Yes	T.C.A. 67-6-507 (e)(3)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
320050		D. Does the state require that, if a deduction is taken for a bad debt and the debt is subsequently collected in whole or in part, the tax on the amount so collected must be paid and reported on the return files for the period in which the collection is made?	Yes	T.C.A. 67-6-507 (e)(4)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	

320060		E. Does the state provide that, when the amount of a bad debt exceeds taxable sales for period when written off, a refund claim may be filed within the applicable statute of limitations (measured from due date of return on which bad debt could first be claimed)?	Yes	T.C.A. 67-6-507 (e)(5)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
320070		F. Does the state provide that if filing responsibilities are assumed by a CSP, the state allows the CSP to claim, on behalf of the seller, any bad debt allowance?	Yes	T.C.A. 67-1-1802 (d) and 67-6-507(e)(6)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
320080		G. Does the state provide that, for purposes of reporting payment on previously claimed bad debt, any payments made are applied first proportionately to taxable price of property or service and sales tax thereon, and secondly to interest, service charges, and any other charges?	Yes	T.C.A. 67-6-507 (e)(7)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
320090		H. Does the state permit allocation of a bad debt among states if the books and records of a the party support allocation among states?	Yes	T.C.A. 67-6-507 (e)(8)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
<b>Section 321</b>	<b>Confidentiality and privacy protections under Model 1</b>					
321010		E. Does the state provide public notification to consumers, including exempt purchasers, of state's practices relating to collection, use and retention of personally identifiable information?	Yes	T.C.A. 67-1-1701 et seq. and 67-1-110 (c)(6)	2007 P.C. 602 Sec. 54 Eft. 1-1-08	Tennessee publishes on its website list of confidentiality and privacy rights and protections under Tennessee law.  <a href="https://www.tn.gov/content/dam/tn/r/evenue/documents/taxes/sales/streamlined/confidentiality.pdf">https://www.tn.gov/content/dam/tn/r/evenue/documents/taxes/sales/streamlined/confidentiality.pdf</a>
321020		F. Does the state provide that when any personally identifiable information is no longer required for purposes in Section 321 subsection (D)(4), such information shall no longer be retained by state?	Yes	T.C.A. 67-1-1701 et seq.		
321030		G. Does the state provide that when personally identifiable information regarding an individual is retained by or on behalf of state, the state shall provide reasonable access to information by such individual and a right to correct inaccurate information?	Yes	T.C.A. 67-1-1701 et seq.		
321040		H. Does the state provide that if anyone other than a member state or person authorized by state law or the Agreement seeks to discover personally identifiable information, state makes reasonable and timely effort to notify the individual of the request?	No	T.C.A. 67-1-1701 et seq.		State law does not authorize release of personally identifiable information under broad confidentiality protections and provides severe penalties in case of a violation. Nothing in Tennessee law prevents the Department from notifying an individual that another person discovered or attempted to discover personally identifiable information about the individual that was in violation of Tennessee statutes.
321050		I. Is the state's privacy policy subject to enforcement by state's AG or other appropriate government authority?	Yes	T.C.A. 8-6-301		Confidentiality provisions are enforced by state's attorney general.

Section 322	Sales tax holidays					
322010		A. Does the state have sales tax holidays?	Yes	T.C.A. 67-6-393  Public Chapter 1131 (2022) Eft. 7-1-22  Public Chapter 1053 (2022) Eft. 5-27-22		<p>Tennessee's traditional sales tax holiday for 2022 on clothing, school supplies, school art supplies, and computers begins 12:01 a.m. Friday, July 29, and ends 11:59 p.m. Sunday, July 31.</p> <p>A special 2022 sales tax holiday for food and food ingredients begins 12:01 a.m. on Monday August 1 and ends 11:59 p.m. Wednesday August 31. The exemption does not apply to sales from a micro market as defined in 67-6-102(58), or vending machine or device. See Important Notice 22-10.</p> <p>The second special sales tax holiday, has been extended for an additional year, for gun safes and gun safety devices. The sales tax holiday began 12:01 a.m. on July 1, 2021 and has been extended to end 11:59 p.m. on June 30, 2023. See Important Notice 22-06.</p> <p>Find information for all 3 sales tax holidays at: <a href="https://www.tn.gov/revenue/taxes/sales-and-use-tax/sales-tax-holiday.html">https://www.tn.gov/revenue/taxes/sales-and-use-tax/sales-tax-holiday.html</a></p>
322020		1. If a state has a holiday, does the state limit the holiday exemption to items that are specifically defined in Part II or Part III(B) of the Library of Definitions and apply the exemptions uniformly to state and local sales and use taxes?	No - See Comments	T.C.A. 67-6-393 & definitions in T.C.A. 67-6-102  Public Chapter 1131 (2022) Eft. 7-1-22  Public Chapter 1053 (2022) Eft. 5-27-22		<p>The traditional sales tax holiday for clothing, school supplies, school art supplies, computer, and for the special sales tax holiday for food and food ingredients are for items defined in the Library of Definitions.</p> <p>The now 2 year sales tax holiday for gun safes and gun safety devices are not for items defined in the Library of Definitions.</p>
322030		2. If a state has a holiday, does the state provide notice of the holiday at least 60 days prior to first day of the calendar month in which the holiday will begin?	Yes	T.C.A. 67-6-393		<p>The notice and website information for clothing, school supplies, school art supplies, computers and gun safes and gun safety devices was published May 27, 2022.</p> <p>The notice for the food and food ingredients sales tax holiday was published June 3, 2022.</p>
322040		3. If a state has a holiday, does the state apply an entity or use based exemption to items?	No	T.C.A. 67-6-393 (b)(1)(A-D)		
322050		3. If a state has a holiday, does the state limit a product based exemption to items purchased for personal or non-business use?	Yes	T.C.A. 67-6-393 (b)(2)(G)		<p>Tennessee's traditional sales tax holiday items are limited to non-business use.</p> <p>The 2 special sales tax holidays are not limited to either personal or non-business use.</p>

322060		4. If a state has a holiday, does the state require a seller to obtain an exemption certificate or other certification from a purchaser for items to be exempted during a sales tax holiday?	No			
322070		B1. If a state's holiday includes a price threshold, does the state provide that the threshold includes only items priced below threshold?	Yes	T.C.A. 67-6-393 (b)(1)(A-D)		The price thresholds applies to clothing (\$100 or less per item), school supplies (\$100 or less per item), school art supplies (\$100 or less per item), and computers (\$1,500 or less per item).
322080		B2. If a state's holiday includes a price threshold, does the state exempt only a portion of the price of an individual item during holiday?	No	T.C.A. 67-6-393 (b)(1)(A-D)		There are no price thresholds for the special sales tax holiday for food and food ingredients, gun safes, and gun safety devices.
322090		C. Does the state meet each of the procedural requirements for holidays?	Yes			
322100		1. Layaway sales?	Yes	T.C.A. 67-6-393 (d)(1)		
322110		2. Bundled sales?	No	T.C.A. 67-6-539		Tennessee has not adopted the definition of a bundled transaction and provisions for tax treatment of a bundled transaction consistent with SSUTA Sec. 330.  The sales price definition applies for exempt personal property bundled with taxable personal property. See T.C.A. 67-6-102(85)(A)(vi)
322120		3. Coupons and discounts?	Yes	T.C.A. 67-6-393 (d)(2)		
322130		4. Splitting of items normally sold together?	Yes	T.C.A. 67-6-393 (d)(3)		
322140		5. Rain checks?	Yes	T.C.A. 67-6-393 (d)(4)		
322150		6. Exchanges?	Yes	T.C.A. 67-6-393 (d)(5)		
322160		7. Delivery charges?	Yes	T.C.A. 67-6-393 (d)(6)		
322170		8. Order date and back orders?	Yes	T.C.A. 67-6-393 (d)(7)		
322180		9. Returns?	Yes	T.C.A. 67-6-393 (d)(8)		
322190		10. Different time zones?	Yes	T.C.A. 67-6-393 (d)(9)		
<b>Section 323</b>	<b>Caps and thresholds</b>					
323010		1. Does the state have any caps or thresholds on the application of rates or exemptions based on the value of a transaction or item other than clothing, motor vehicles, aircraft, watercraft, modular homes, manufactured homes or mobile homes or instances where the burden of administration has been shifted from the retailer?	Yes	T.C.A. Secs. 67-6-102(106) 67-6-226 67-6-103(f)  67-6-202(a) 67-6-702(d)	P.C. 602 (2007)Secs. 58, 59, 93. Eft. 1-1-08  P.C. 1106 (2008) Sec. 2 Eft. 7-1-08	Video programming services (Cable TV) thresholds: *First \$15 of monthly charge is exempt from state tax. *\$15.01-\$27.50 of monthly charge is taxed at 8.25% state tax rate. *Amount in excess of \$27.50 is subject to regular state tax rate (currently 7%).  Additional state tax at the rate of 2.75% applies to the sales price of a single article of tangible personal property from \$1,600 to \$3,200.

323020		2. Does the state have any caps that are based on application of rates unless the application of rates are administered in a manner that places no additional burden on retailer?	NA			Tennessee sales and use tax statutes do no contain caps on overall tax rates.
323030		B. Do local jurisdictions within the state that levy sales or use tax have caps or thresholds on application of rates or exemptions that are based on value of transaction or item?	Yes	T.C.A. Secs. 67-6-702 (a) (d)  67-6-714		Local tax is limited to the first \$1,600 of the sales price of a single article of tangible personal property.  The first \$27.50 of a monthly charge for video programming services is exempt from local tax. Amount of the monthly charge in excess of \$27.50 is subject to the local tax.
323040		D.1. Does the state have cap or threshold on the value of clothing?	No			
323050		D.2. If the state has a threshold on clothing, does the state meet each of the following requirements:	NA			
323060		a. Either provide that (1) the entire price if the item is taxable if the price is over the threshold or (2) only the portion of the price of each item over the threshold is taxable?	NA			
323070		b. The price threshold of each individual item is greater than \$110?	NA			
323080		c. If the state adopts a clothing threshold under this Section of the Agreement and a sales tax holiday on clothing under Section 322 of the Agreement, does the state provide that the clothing threshold under this Section does not apply during the sales tax holiday on clothing?	NA			
<b>Section 324</b>	<b>Rounding rule</b>					
324010		1. Does the state provide that the tax computation must be carried to the third decimal place?	Yes	T.C.A. 67-6-504 (h)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
324020		2. Does the state provide that the tax must be rounded to a whole cent using a method that rounds up to next cent whenever third decimal place is greater than four after?	Yes	T.C.A. 67-6-504 (h)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
324030		B.1. Does the state allow sellers to elect to compute tax due on a transaction, on a item or invoice basis, and shall allow rounding rule to be applied to aggregated state and local taxes?	Yes	T.C.A. 67-6-504 (h) (i)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
324040		B.2. Can the state confirm that it has repealed any requirements for sellers to collect tax on bracket system?	Yes	T.C.A. 67-6-504 (j)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
<b>Section 325</b>	<b>Customer refund procedures</b>					

325010		C. Does the state provide that a cause of action against seller does not accrue until the purchaser has provided written notice to the seller and the seller has had 60 days to respond? Notice must contain information necessary to determine validity of request.	Yes	T.C.A. 67-6-538 (d)	2007 P.C. 602 Sec. 115 Eft. 1-1-08	
325020		D. Does the state provide for uniform language in regard to presumption of a reasonable business practice when a seller: I) uses either a provider or a system, including a proprietary system, that is certified by the state; and ii) has remitted to state all taxes collected, less deductions, credits or collection allowances?	Yes	T.C.A. 67-6-538 (e)	2007 P.C. 602 Sec. 115 Eft. 1-1-08	
<b>Section 326</b>	<b>Direct pay permits</b>					
326010		Does the state provide for a direct pay authority that allows the holder of a direct pay permit to purchase otherwise taxable goods and services without payment of tax to the supplier at the time of purchase?	Yes	Rule 1320-05-01-.68(4) and T.C.A. Sec. 67-6-102 (33) (34)		
<b>Section 327</b>	<b>Library of definitions</b>					
327010		A. If term defined in Library appears in state's statutes, rules or regulations, has the state adopted the definition in substantially the same language as the Library definition?	Yes Eft. 1-1-08 except for bundled transaction	T.C.A. 67-6-102 et seq. and 67-6-905 (a)(1-12)	P.C. 602 (2007) Secs. 60, 61, 62, 64, 65, 66, 68 for definitions and Secs. 71, 74, 79, 80, 83-86, 89, 92, 93, 95, 96, 98, 99 & 100 for use of definitions. Eft. 1-1-08.  P.C. 1106 (2008) Sec. 9 Eft. 6-05-08 & Sec.18 Eft.1-1-09	Tennessee has not adopted the definition of bundled transaction and provisions consistent with SSUTA Sec.330.  The sales price definition applies for exempt personal property bundled with taxable personal property. See T.C.A. 67-6-102(87)(A)(vi).
327020		B. Can the state confirm that it does not use a Library definition that is contrary to meaning of Library definition?	Yes	T.C.A. 67-6-102 et seq. and 67-6-905 (a)(1-12)	P.C. 602 (2007) Secs. 60, 61, 62, 64, 65, 66, 68 for definitions and Secs. 71, 74, 79, 80, 83-86, 89, 92, 93, 95, 96, 98, 99 & 100 for use of definitions. Eft. 1-1-08  P.C. 1106 (2008) Sec. 9 Eft. 6-05-08 & Sec.18 Eft.1-1-09	

327030	SSTGB RULES 327.1, APPENDIX L (Health Care Lists) and APPENDIX N (Candy Products) and CRIC INTERPRETIVE OPINION 2006-5	C. Except as provided in Sections 316 and 332 and Library, can the state confirm that it imposes tax on all products and services included within each Part II or Part III(B) definition or exempts from tax all products or services within each definition, including all products and services listed in the rules, appendices and interpretive opinions adopted by the Governing Board?	Yes		2007 P.C. 602 Sec. 68, 83, 89, 92, 93 Eft. 1-1-08	
<b>Section 328</b>	<b>Taxability matrix</b>					
328010		A1. Has the state completed the Library of Definitions portion of the taxability matrix in the downloadable format approved by Governing Board?	Yes			
328020		A2. Has the state completed the Tax Administration Practices portion of the taxability matrix in the downloadable format approved by the Governing Board?	Yes			
328030		B. Does the state provide notice of changes in the taxability matrix as required by the Governing Board?	Yes			Tennessee has posted each taxability matrix completed to its web site. Tennessee sends notices to taxpayers and post such notices and other tax information to the web site regarding changes
328040		C. Does the state relieve sellers and CSPs from liability to the state and its local jurisdictions for having charged and collected incorrect tax resulting from erroneous data in the Library of Definitions section of the taxability matrix?	Yes	T.C.A. 67-6-537 (d)	2007 P.C. 602 Sec. 114 Eft. 1-1-08	
328060		E. If the state taxes specified digital products, has the state noted such in the Library of Definitions section of the taxability matrix?	Yes			
328070		F. If the state has a sales tax holiday, has the state noted the exemption in the Library of Definitions section of the taxability matrix?	Yes			Traditional sales tax holiday for clothing, school supplies, school art supplies, computers and the special sales tax holiday for food and food ingredients have been noted in the taxability matrix.  The special sales tax holiday for gun safes and gun safety devices was not noted.
<b>Section 329</b>	<b>Effective date for rate changes</b>					
		Does the state provide that the effective date of rate changes for services covering a period starting before or ending after the statutory effective date is as follows:	Yes			Tennessee does this administratively under the statutory powers granted the commissioner to administer the assessment and collection of taxes, and will publish policy to this effect
329010		1. For a rate increase, the new rate shall apply to the first billing period starting on or after the effective date?	Yes			
329020		2. For a rate decrease, new rate shall apply to bills rendered on or after the effective date?	Yes			
<b>Section 330</b>	<b>Bundled Transactions</b>					

330010	SSTGB RULES 330.1 and 330.2	A. Has the state adopted and does the state utilize the core definition of "bundled transaction" to determine tax treatment?	No	T.C.A. 67-6-539(a)		Tennessee has not adopted the definition of a bundled transaction and provisions for tax treatment of a bundled transaction consistent with SSUTA Sec. 330.  Tennessee does have a bundled transaction definition used solely for purposes of bundles of telecommunication services, ancillary services, internet access services, audio or video programming services, or direct-to-home satellite television programming services. See T.C.A. 67-6-539
		C. Can the state confirm that for bundled transactions that include telecommunication service, ancillary service, internet access, or audio or video programming service the following rules apply:				
330020		1. For transactions that include both taxable and nontaxable items, the price attributable to nontaxable items is exempt if the provider can identify the price by reasonable and verifiable standards from its books and records.	Yes	T.C.A. 67-6-539 (b)(1)	P.C. 782 (2004) Sec. 12 Eft. 7-1-04	
330030		2. For transactions that include products subject to different tax rates, the total price may be treated as attributable to the products subject to tax at the highest tax rate unless the provider can identify by reasonable and verifiable standards the portion of the price attributable to the products subject to tax at the lower rate from its books and records that are kept in the regular course of business for other purposes, including, but not limited to, non-tax purposes?	Yes	T.C.A. 67-6-539 (b)(2)	P.C. 782 (2004) Sec. 12 Eft. 7-1-04	
330040	SSTGB RULE 330.3	D. If the state otherwise has not specifically imposed tax on the retail sales of computer software maintenance contracts, does the state treat software maintenance contracts as provided in this section?	Yes	T.C.A. 67-6-102 (19) and 67-6-231(b)	2009 P.C. 530 Secs. 50-52 Eft. 7-1-09	Tennessee specifically imposes tax on sales and use of computer software maintenance contracts.
<b>Section 331</b>	<b>Relief from certain liability for purchasers</b>					
		A. Does the state provide relief for purchasers from liability for penalty to that state and its local jurisdictions for having failed to pay the correct amount of sales or use tax in the following circumstances:				
331010		1. A purchaser's seller or CSP relied on erroneous data provided by the state on tax rates, boundaries, taxing jurisdiction assignments, or in the taxability matrix completed by the state pursuant to Section 328?	Yes	T.C.A. 67-6-533 (a)(c) and 67-6-537(d)	2007 P.C. 602 Sec. 114 Eft. 1-1-08	

331020		2. A purchaser holding a direct pay permit relied on erroneous data provided by the state on tax rates, boundaries, taxing jurisdiction assignments, or in the taxability matrix completed by the state pursuant to Section 328?	Yes	T.C.A. 67-6-533 (a)(c) and 67-6-537(d)	2007 P.C. 602 Sec. 114 Eft. 1-1-08	
331030		3. A purchaser relied on erroneous data provided by the state in the taxability matrix completed by the state pursuant to Section 328?	Yes	T.C.A. 67-6-537 (d)	2007 P.C. 602 Sec. 114 Eft. 1-1-08	
331040		4. A purchaser using databases pursuant to subsections (F), (G), and (H) of Section 305 relied on erroneous data provided by the state on tax rates, boundaries, or taxing jurisdiction assignments?	Yes	T.C.A. 67-6-533	2007 P.C. 602 Sec. 114 Eft. 1-1-08	
331050		B. (Except where prohibited by a member state's constitution) Does the state relieve a purchaser from liability for tax and interest to the state and its local jurisdictions for having failed to pay the correct amount of sales or use tax in the circumstances described in Section 331 A, provided that, with respect to reliance on the taxability matrix completed by the state pursuant to Section 328, such relief is limited to the state's erroneous classification in the taxability matrix of terms included in the Library of Definitions as "taxable" or "exempt", "included in sales price" or "excluded from sales price" or "included in the definition" or "excluded from the definition".	Yes	T.C.A. 67-6-537 (d)	P.C. 602 (2007) Sec. 114 Eft. 1-1-08	
<b>Section 332</b>	<b>Specified Digital Products</b>					
332010	SSTGB RULES 332.1 and 332.2	A. Does the state include specified digital products, digital audio-visual works, digital audio works, or digital books in its definition of ancillary services, computer software, telecommunication services or tangible personal property?	No	T.C.A. Secs. 67-6-233 67-6-102 (29) (30) (31) and (94)	P.C. 1106 (2008) Secs. 18, 19 Eft. 1-1-09	
332020		D1. Is the state's tax on specified digital products, digital audio-visual works, digital audio works, or digital books construed to apply only to the end user unless specifically imposed on someone other than the end user?	Yes	T.C.A. 67-6-233 (f)	P.C. 1106 (2008) Secs. 18, 19 Eft. 1-1-09	
332030		D2. Is the state's tax on specified digital products, digital audio-visual works, digital audio works, or digital books construed to apply only on a sale with the right of permanent use unless specifically imposed on a sale with less than permanent use?	Yes	T.C.A. 67-6-233 (b)(1)	P.C. 1106 (2008) Secs. 18, 19 Eft. 1-1-09	
332040		D3. Is the state's tax on specified digital products, digital audio-visual works, digital audio works, or digital books construed to apply only on a sale which is not conditioned upon continued payment from the purchaser unless specifically imposed on a sale which is conditioned upon continued payment from the purchaser?	Yes	T.C.A. 67-6-233 (b)(2)	P.C. 1106 (2008) Secs. 18, 19 Eft. 1-1-09	

332050		D4. Does the state's taxability matrix indicate if the state's tax is imposed on a product transferred electronically to a person other than the end user or on a sale with the right of less than permanent use granted by the seller or which is conditioned upon continued payment from the purchaser?	Yes	T.C.A. 67-6-233 (f)	P.C. 1106 (2008) Secs. 18, 19 Eft. 1-1-09	
332060		G. Is the state's tax treatment of the sale of a digital code the same as the tax treatment of specified digital product or product delivered electronically to which the digital code relates?	Yes	T.C.A. 67-6-233 (c)	P.C. 1106 (2008) Secs. 18, 19 Eft. 1-1-09	
<b>Section 333</b>	<b>Use of Specified Digital Products</b>	<b>Effective January 1, 2010</b>				
333010		Excluding prewritten computer software, does the state include any product transferred electronically in its definition of tangible personal property?	No	T.C.A. 67-6-102 (97) and 67-6-231	P.C. 1106 (2008) Secs. 18, 19 Eft. 1-1-09	
<b>Section 334</b>	<b>Prohibited replacement taxes</b>					
334010	SSTGB RULE 334	Does the state have any prohibited replacement taxes?	No			
<b>Section 335</b>	<b>Tax Administration Practices</b>					
335010	No state shall be found out of compliance with the Agreement because the effect of the state's laws, rules, regulations, and policies do not follow each of the tax administration practices adopted by the Governing Board.	Did the state complete the Tax Administration Practices section of the taxability matrix by the first day of the calendar month that is at least 60 days after the date the Governing Board selects a disclosed and/or best practice and submit it to the Executive Director for posting on the Governing Board's website?	Yes			
<b>Section 401</b>	<b>Seller participation</b>					
401010	SSTGB RULE 401.1	A. Does the state participate in the Governing Board's online registration system?	Yes	T.C.A. 67-6-608	P.C. 602 (2007) Sec. 117 Eft. 1-1-08	Since Tennessee became an associate member state, it has participated in the Streamlined Central Registration System pursuant to actions of the commissioner authorized by T.C.A. 67-6-805(a)
401020		B. Does the state provide that it will not use a seller's registration with the central registration system and collection of taxes in member states as the sole factor in determining whether seller has nexus with state for tax at any time?	Yes	T.C.A. 67-6-608 (c)	P.C. 602 (2007) Sec. 117 Eft. 1-1-08	Since Tennessee became an associate member state, it has participated in the Streamlined Central Registration System pursuant to actions of the commissioner authorized by T.C.A. 67-6-805(a)
<b>Section 402</b>	<b>Amnesty for registration</b>					

402010	CRIC INTERPRETIVE OPINIONS 2006-8 and 2006-9	A.1. Does the state provide amnesty to a seller who registers through the Streamlined registration system for the state in which the amnesty is sought if the seller pays or collects and remits the applicable tax in accordance with Agreement on sales made to purchasers in all full member states in which the seller makes sales, provided the seller was not so registered in state in 12-month period preceding effective date of state's participation in the Agreement? Sellers that are only making wholesale sales in a state which does not require wholesalers to register and sellers who only make sales through a marketplace facilitator in a state which does not require those sellers to register, would not be required to register in those states to qualify for amnesty.	Yes	T.C.A. 67-6-537 (a-c)	P.C. 499 (2005) Sec. 65 Eft. 6-22-05  P.C. 602 (2007) Sec. 114 Eft. 1-1-08	
402020		A.2. Does the state provide that their amnesty will preclude assessment for tax together with penalty and interest for sales made during the period the seller was not registered in the state, provided registration occurs within 12 months of the effective date of state's participation in the Agreement?	Yes	T.C.A. 67-6-537 (b)	P.C. 499 (2005) Sec. 65 Eft. 6-22-05  P.C. 602 (2007) Sec. 114 Eft. 1-1-08	
402030		A.3. For states that join the Agreement after the seller has already registered under the Agreement, does the state provide amnesty to those sellers in accordance with A.1. and A.2. above?	NA	T.C.A. 67-6-537 (a)(1)	P.C. 499 (2005) Sec. 65 Eft. 6-22-05  P.C. 602 (2007) Sec. 114 Eft. 1-1-08	
402040	CRIC INTERPRETIVE OPINION 2006-2	B. Does the state provide that its amnesty is not available to a seller who has received a notice of audit from that state and the audit is not yet resolved, including any related administrative and judicial processes?	Yes	T.C.A. 67-6-537 (a)(3)	PC 499 (2005) Sec. 65 Eft. 6-22-05  PC 602 (2007) Sec. 114 Eft. 1-1-08	
402050	CRIC INTERPRETIVE OPINION 2006-1	C. Does the state provide that its amnesty does not apply to taxes already paid to the state or to taxes already collected by a seller?	Yes	T.C.A. 67-6-537 (c)(1)	P.C. 499 (2005) Sec. 65 Eft. 6-22-05  P.C. 602 (2007) Sec. 114 Eft. 1-1-08	
402060	CRIC INTERPRETIVE OPINIONS 2006-6, 2006-8 and 2006-9	D. Does the state provide that its amnesty is fully effective, absent fraud or misrepresentation of material fact, as long as the seller continues registration and continues payment of taxes for period of at least 36 months? Did the state toll its statute applicable to asserting a tax liability during 36 month period?	Yes	T.C.A. 67-6-537 (c)(3-4)	P.C. 499 (2005) Sec. 65 Eft. 6-22-05  P.C. 602 (2007) Sec. 114 Eft. 1-1-08	
402070		E. Does the state provide that its amnesty is applicable only to taxes due from a seller in its capacity as seller and not in its capacity as a buyer?	Yes	T.C.A. 67-6-537 (a)(1) and (c)(1)	P.C. 499 (2005) Sec. 65 Eft. 6-22-05  P.C. 602 (2007) Sec. 114 Eft. 1-1-08	
<b>Section 403</b>	<b>Method of remittance</b>					

403010		Does the state provide that the seller may select one of the technology models?	Yes	T.C.A. 67-6-504 (j)(1)	P.C. 602 (2007)Secs. 68 & 106 Eft. 1-1-08	
403020		A. Model 1-seller selects CSP as agent to perform all functions except remit tax on its own purchases?	Yes	T.C.A. 67-6-504 (j)(1)	P.C. 602 (2007)Secs. 68 & 106 Eft. 1-1-08	
403030		B. Model 2-seller selects CAS which calculates amount of tax due?	Yes	T.C.A. 67-6-504 (j)(3)	P.C. 602 (2007)Secs. 68 & 106 Eft. 1-1-08	
403040		C. Model 3-seller utilizes own proprietary system that has been certified as a CAS?	Yes		P.C. 602 (2007) Sec. 68 Eft. 1-1-08	
<b>Section 404</b>	<b>Registration by an agent</b>					
404010		Does the state provide that the seller may be registered by an agent?	Yes	T.C.A. 67-6-102 (11) certified service provider definition Eft. 6-27-06 T.C.A. 67-6-504 (j-l)	P.C. 602 (2007) Sec. 117 Eft. 1-1-08	
404020	This isn't a compliance issue but is something sellers and their agents should know.	Does the state require that the written agent appointments be submitted to the state?	No			
<b>Section 501</b>	<b>Provider and System Certification</b>					
501010	SSTGB RULES 501.1, 501.2, 501.3, 501.4, 501.5, 501.6, 501.7 and 501.8	A. Does state law provide for provider and system certification to aid in the administration of sales and use tax collection?	Yes	T.C.A. 67-6-102 (11) certified service provider definition Eft. 6-27-06 T.C.A. 67-6-504 (j-l)	P.C. 602 (2007)Secs. 68 & 106 Eft. 1-1-08	
<b>Section 502</b>	<b>State review and approval of Certified Automated System Software and Certain Liability Relief</b>					
502010		A. Can the state confirm that it reviews software submitted for certification as a CAS under Section 501?	Yes	T.C.A. 67-6-102 (10) and 67-6-504 (j)(3)	P.C. 602 (2007) Sec. 106 Eft. 1-1-08	
502020		B. Does the state provide liability relief to CSP's and model 2 sellers for reliance on the certification?	Yes	T.C.A. 67-6-504 (j)(2)(A) and 67-6-504 (j)(3)	P.C. 602 (2007) Sec. 106 Eft. 1-1-08	
502030		C. Does the state provide liability relief to CSP's in the same manner as provided to sellers under Section 317?	Yes	T.C.A. 67-6-533 (a) and 67-6-537(d)	2007 P.C. 602 Secs. 110 & 114 Eft. 1-1-08	
502040		E. Does the state allow the CSP or model 2 seller 10 days to correct classification of items found to be in error before holding the CSP or model 2 seller liable?	Yes	T.C.A. 67-6-504 (j)(2)(A) & (B)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
<b>Section 601</b>	<b>Monetary allowance under Model 1</b>					

601010		A. Does the state provide a monetary allowance to a CSP in Model 1 in accordance with the terms of the contract between the governing board and the CSP?	Yes	T.C.A. 67-6-509 (d)	P.C. 499 (2005) Sec. 67 Eft. 6-22-05  P.C. 1019 (2006) Sec. 43 Eft. 6-27-06 T.C.A. 67-6-542  P.C. 602 (2007) Sec. 108. Eft. 1-1-08. T.C.A. Sec. 67-6-509 (c-e) & Sec. 109 Eft. 1-1-08 (repeals T.C.A. 67-6-542)	
<b>Section 602</b>	<b>Monetary allowance for Model 2 sellers</b>					
602010	SSTGB RULES 602.1 and 602.2	Does the state provide monetary allowance to Model 2 sellers pursuant to the Governing Board's rules?	Yes	T.C.A. 67-6-509 (d)	P.C. 499 (2005) Sec. 67 Eft. 6-22-05  P.C. 1019 (2006) Sec. 43 Eft. 6-27-06  T.C.A. Sec. 67-6-542  P.C. 602 (2007) Sec. 108. Eft. 1-1-08.  T.C.A. Sec. 67-6-509 (c-e) & Sec. 109 Eft. 1-1-08 (repeals T.C.A. Sec. 67-6-542)	A deduction in sales and use tax in the amount of 2% of the state tax due, not to exceed \$25 to compensate dealers for accounting and remitting the tax is now available for tax periods on or after July 1, 2022.
		<b>APPENDIX C - LIBRARY OF DEFINITIONS</b>				
		<b>Please verify for each item that the state uses the definition provided by the Agreement. If the item is not applicable in your state, answer "N/A."</b>				
<b>Part I</b>	<b>Administrative definitions</b>					
AD010	SSTB RULE 330.1	Bundled transaction	No	T.C.A. 67-6-539		
AD020	SSTGB RULE 327.4 and CRIC INTERPRETIVE OPINION 2015-2	Delivery charges	Yes	T.C.A. 67-6-102 (25)	P.C. 602 (2007) Sec. 68 Eft. 1-1-08	
AD030	SSTGB RULE 327.6 and CRIC INTERPRETIVE OPINIONS 2006-12 and 2008-2	Direct mail	Yes	T.C.A. 67-6-102 (32)	P.C. 602 (2007) Sec. 68 Eft. 1-1-08	
AD040		Lease or rental	Yes	T.C.A. 67-6-102 (51)	P.C. 602 (2007) Sec. 68 Eft. 1-1-08	
AD050		Purchase price	Yes	T.C.A. 67-6-102(80)	P.C. 602 (2007) Sec. 68 Eft. 1-1-08	

AD060		Retail sale or Sale at retail	Yes	T.C.A. 67-6-102 (83)	P.C. 602 (2007) Sec. 68 Eft. 1-1-08	
AD070	SSTGB RULES 327.4, 327.7 and 327.9 and AMENDED DEFINITION ON SEPTEMBER 16, 2015 RELATING TO THE EXCLUSION FOR CERTAIN FEDERAL EXCISE TAXES AND FEES	Sales price	Yes See Comments	T.C.A. 67-6-102 (87)	P.C. 602 (2007) Sec. 68 Eft. 1-1-08	The sales price definition includes the provision for exempt personal property bundled with taxable personal property. (T.C.A. 67-6-102(85)(A)(vi). Tennessee will need to repeal this provision when the bundled transaction definition is adopted.
AD080		Telecommunications nonrecurring charges	NA			
AD090	CRIC INTERPRETIVE OPINION 2009-1	Tangible personal property	Yes	T.C.A. 67-6-102 (97)	P.C. 602 (2007) Sec. 68 Eft. 1-1-08	PC. 501 Sec. 1 added language to TPP definition effective 7-1-2019 to specify fiber optic cable becomes realty upon installation (attached to utility poles, buildings and other structures, or installed underground).
<b>Part II</b>	<b>Product definitions</b>	<b>CLOTHING</b>				
PD010		Clothing	Yes	T.C.A. 67-6-102 (12)	P.C. 398 (2006) Sec. 2 Eft. 7-1-06	
PD020		Clothing accessories or equipment	Yes	T.C.A. 67-6-102 (13)	P.C. 398 (2006) Sec. 2 Eft. 7-1-06	
PD022		Diapers	NA			
PD030		Essential clothing	NA			
PD040	CRIC INTERPRETIVE OPINION 2006-5	Fur clothing	NA			
PD050		Protective equipment	Yes	T.C.A. 67-6-102 (79)	P.C. 398 (2006) Sec. 2 Eft. 7-1-06	
PD060		Sport or recreational equipment	Yes	T.C.A. 67-6-102 (95)  (about:blank)	P.C. 398 (2006) Sec. 2 Eft. 7-1-06	
		<b>COMPUTER RELATED</b>				
PD070		Computer	Yes	T.C.A. 67-6-102 (17)	P.C. 602 (2007) Sec. 68 Eft. 1-1-08	
PD080	CRIC INTERPRETIVE OPINION 2009-1	Computer software	Yes	T.C.A. 67-6-102 (18) and 67-6-231	P.C. 602 (2007) Sec. 68 Eft. 1-1-08	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. See Important Notice 15-14, Important Notice 15-24 and Remotely Accessed Software Direct Pay Permit Form. See Important Notice 22-05 Computer Software Developed for Personal Use.

PD090		Delivered electronically	Yes	T.C.A. 67-6-102 (24) and 67-6-231	P.C. 602 (2007) Sec. 68 Eft. 1-1-08	
PD100		Electronic	Yes	T.C.A. 67-6-102 (37) and 67-6-231	P.C. 782 (2004) Sec. 3 Eft. 7-1-04	
PD110		Load and leave	NA			
PD120	SSTGB RULES 309.2 amd 309.5 and CRIC INTERPRETIVE OPINION 2009-1	Prewritten computer software	Yes	T.C.A. 67-6-102 (76) and 67-6-231	P.C. 602 (2007) Sec. 68 Eft. 1-1-08	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. See Important Notice 15-14, Important Notice 15-24, and Remotely Accessed Software Direct Pay Permit Form.
PD130	SSTGB RULES 309.4 and 327.5	Computer software maintenance contract	Yes	T.C.A. 67-6-102 (19) and 67-6-208 (b)	P.C. 530 (2009) Secs. 50-52 Eft. 7-1-09	
PD140		Mandatory computer software maintenance contract	NA	T.C.A. 67-6-208 (b)	P.C. 530 (2009) Secs. 50-52 Eft. 7-1-09	
PD150		Optional computer software maintenance contract	NA	T.C.A. 67-6-208 (b)	P.C. 530 (2009) Secs. 50-52 Eft. 7-1-09	
	<b>SSTB RULE 332.1</b>	<b>DIGITAL PRODUCTS</b>				
PD160		Specified digital products	Yes	T.C.A. 67-6-102 (94) and 67-6-233	P.C. 1106 (2008) Secs. 18, 19, 20, 21, 22 Eft. 1-1-09	
PD170		Digital audio-visual works	Yes	T.C.A. 67-6-102 (30) and 67-6-233	P.C. 1106 (2008) Secs. 18, 19, 20, 21, 22 Eft. 1-1-09	
PD180		Digital audio works	Yes	T.C.A. 67-6-102 (29) and 67-6-233	P.C. 1106 (2008) Secs. 18, 19, 20, 21, 22 Eft. 1-1-09	
PD190		Digital books	Yes	T.C.A. 67-6-102 (31) and 67-6-233	P.C. 1106 (2008) Secs. 18, 19, 20, 21, 22 Eft. 1-1-09	
		<b>FOOD AND FOOD PRODUCTS</b>				
PD200		Alcoholic beverages	Yes	T.C.A. 67-6-102 (6) and 67-6-228	P.C. 602 (2007) Sec. 68 Eft. 1-1-08	
PD210		Bottled water	NA			
PD220	SSTGB RULE 327.8 and APPENDIX N and CRIC INTERPRETIVE OPINIONS 2007-3, 2009-4, 2009-5 and 2013-2	Candy	Yes	T.C.A. 67-6-102 (9) and 67-6-228	P.C. 602 (2007) Secs. 68, 83 Eft. 1-1-08	

PD230		Dietary supplement	Yes	T.C.A. 67-6-102 (28) and 67-6-228	P.C. 602 (2007) Secs. 68, 83 Eft. 1-1-08	
PD240	CRIC INTERPRETIVE OPINIONS 2010-3 and 2011-1	Food and food ingredients	Yes	T.C.A. 67-6-102 (43) and 67-6-228	P.C. 602 (2007) Secs. 68, 83 Eft. 1-1-08	
PD250		Food sold through vending machines	NA			
PD260	CRIC INTERPRETIVE OPINIONS 2006-4, 2006-11 AND 2013-3	Prepared food	Yes	T.C.A. 67-6-102 (74) and 67-6-228	P.C. 602 (2007) Secs. 68, 83 Eft. 1-1-08	
PD270	CRIC INTERPRETATIVE OPINIONS 2009-2 and 2013-1	Soft drinks	NA			
PD280		Tobacco	Yes	T.C.A. 67-6-102 (101) and 67-6-228	P.C. 602 (2007) Secs. 68, 83 Eft. 1-1-08	
		<b>HEALTH-CARE</b>				
PD285		Breast pump	NA			
PD286		Breast pump collection and storage supplies	NA			
PD287		Breast pump kit	NA			
PD290	CRIC INTERPRETIVE OPINION 2007-1	Drug	Yes	T.C.A. 67-6-102 (35) and 67-6-320	P.C. 602 (2007) Sec. 68, 92 Eft. 1-1-08	
PD300	CRIC INTERPRETIVE OPINION 2015-1	Durable medical equipment (effective 1/1/08)	Yes	T.C.A. 67-6-102 (36) and 67-6-314	P.C. 602 (2007) Sec. 68, 89 Eft. 1-1-08	
PD305		Feminine Hygiene Products (adopted 5/11/17)	NA			
PD310		Grooming and hygiene products	Yes	T.C.A. 67-6-102 (44) and 67-6-320	P.C. 602 (2007) Sec. 68, 92 Eft. 1-1-08	
PD320		Mobility enhancing equipment	Yes	T.C.A. 67-6-102 (61) and 67-6-314	P.C. 602 (2007) Sec. 68, 89 Eft. 1-1-08	
PD330		Over-the-counter-drug	Yes	T.C.A. 67-6-102 (67) and 67-6-320	P.C. 602 (2007) Sec. 68 & 92 Eft. 1-1-08	
PD340		Prescription	Yes	T.C.A. 67-6-102 (75), 67-6-314 and 67-6-320	P.C. 602 (2007) Sec. 68 & 92 Eft. 1-1-08	
PD350	CRIC INTERPRETIVE OPINION 2015-1	Prosthetic device	Yes	T.C.A. 67-6-102 (78) and 67-6-314	P.C. 602 (2007) Sec. 68 & 92 Eft. 1-1-08	
	<b>SSTGB RULE 327.2</b>	<b>TELECOMMUNICATIONS</b>				
		The following are Tax Base/Exemption terms:				
PD360		Ancillary services	Yes	T.C.A. 67-6-102 (7) and 67-6-205 (c)(9)		

PD370		Conference bridging service	Yes	T.C.A. 67-6-102(7)(A) and 67-6-205 (c)(9)		
PD380		Detailed telecommunications billing service	Yes	T.C.A. 67-6-102 (7)(B) and 67-6-205 (c)(9)		
PD390		Directory assistance	Yes	T.C.A. 67-6-102 (7)(C) and 67-6-205 (c)(9)		
PD400		Vertical service	Yes	T.C.A. 67-6-102 (7)(D) and 67-6-205 (c)(9)		
PD410		Voice mail service	Yes	T.C.A. 67-6-102 (7)(E) and 67-6-205 (c)(9)		
PD420		Telecommunications service	Yes	T.C.A. 67-6-102 (98) and 67-6-205 (c)(3)		
PD430		800 service	NA			
PD440		900 service	NA			
PD450		Fixed wireless service	NA			
PD460		Mobile wireless service	NA			
PD470	CRIC INTERPRETIVE OPINION 2010-2	Paging service	NA			
PD480	SSTGB RULE 327.2(l)	Prepaid calling service	Yes	T.C.A. 67-6-102 (72) and 67-6-230(a)	P.C. 602 (2007) Sec. 68 & 85 Eft. 1-1-08	
PD490	SSTGB INTERPRETIVE OPINION 2015-3	Prepaid wireless calling service	Yes	T.C.A. 67-6-102 (73) and 67-6-203(a)	P.C. 602 (2007) Sec. 68 & 85 Eft. 1-1-08	Tennessee interprets the statute to mean "units or dollars." Tennessee does not exclude from the definition of prepaid wireless calling services offers that have been advertised as "unlimited minutes" that expire over a prescribed unit of time such as weeks or months.
PD500		Private communications service	Yes	T.C.A. 67-6-102 (77) and 67-6-205(c)(3)		
PD510		Value-added non-voice data service	NA			
		The following are Modifiers of Sales Tax Base/Exemption Terms:				
PD520		Coin-operated telephone service	Yes	T.C.A. 67-6-102 (14) and 67-6-329 (b)(1)		
PD530		International	Yes	T.C.A. 67-6-102 (47) and 67-6-205 (c)(3)		
PD540		Interstate	Yes	T.C.A. 67-6-102 (48) and 67-6-205 (c)(3)		
PD550		Intrastate	Yes	T.C.A. 67-6-102 (49) and 67-6-205 (c)(3)		
PD560		Pay telephone service	NA			
PD570		Residential telecommunications service	NA			
<b>Part III</b>	<b>Sales Tax Holiday Definitions</b>					
HD010		Disaster Preparedness Supply	NA			
HD020		Disaster Preparedness General Supply	NA			

HD030		Disaster Preparedness Safety Supply	NA			
HD040		Disaster Preparedness Food-Related Supply	NA			
HD050		Disaster Preparedness Fastening Supply	NA			
HD060		Eligible property	Yes	T.C.A. 67-6-393 (e)		
HD070		Energy Star qualified product	NA			
HD080		Layaway sale	Yes	T.C.A. 67-6-102 (50) and 67-6-393 (d)(1)		
HD090		Rain check	Yes	T.C.A. 67-6-102 (82) and 67-6-393 (d)(4)		
HD100	CRIC INTERPRETIVE OPINION 2011-2	School supply	Yes	T.C.A. 67-6-102 (91) and 67-6-393 (b)(1)(B)		
HD110		School art supply	Yes	T.C.A. 67-6-102 (88) and 67-6-393 (b)(1)(C)		
HD120		School instructional material	Yes	T.C.A. 67-6-102 (90) and 67-6-393 (b)(2)(E)		
HD130		School computer supply	Yes	T.C.A. 67-6-102 (89) and 67-6-393 (b)(2)(F)		
HD140		WaterSense products	NA			