

F&E Apportionment-5 - Manufacturers May Elect to Apportion Using a Single Sales Factor

This article is for informational purposes only.

For tax years beginning on or after January 1, 2017, manufacturers may elect to apportion net earnings and net worth to Tennessee based on a single sales factor. A taxpayer is considered a manufacturer if more than 50 percent of its revenue from its activities in this state, excluding passive income, is from fabricating or processing tangible personal property for resale and consumption off the premises.

More information: [Important Notice #17-11 Single Sales Factor for Manufacturers](#).

Reference: Tenn. Code Ann. §§ 67-4-2012(l); 67-4-2111(l).