



Sales Tax Collection by Marketplace Sellers

MS-11 Marketplace Sellers Purchasing Products for Resale from Tennessee Suppliers Must Provide a Resale Exemption Certificate

This article is for informational purposes only and NOT APPLICABLE BEGINNING JANUARY 10, 2022 due to the repeal of sales and use tax Rule 96.

A marketplace seller purchasing products for resale from a Tennessee supplier must provide the Tennessee supplier with a resale certificate to make the purchase without tax.

In-State Marketplace Sellers

Marketplace sellers located in Tennessee register for sales and use tax and must provide a Tennessee supplier with its Tennessee Sales and Use Tax Resale Certificate or a fully completed Streamlined Sales and Use Tax Exemption Certificate including its Tennessee sales and use tax ID number to make the purchases for resale without tax.

Out-of-State Marketplace Sellers

Except in the case of drop shipments from a Tennessee supplier to an out-of-state seller's customer in Tennessee, out-of-state marketplace sellers that are not registered for sales and use tax in Tennessee must provide a Tennessee supplier with its resale certificate issued by another state or a fully completed Streamlined Sales and Use Tax Exemption Certificate including the sales and use tax ID number issued by the other state and the state of issue.

Sellers who are not Registered for Sales and Use Tax in Any State

If an out-of-state marketplace seller is not registered for sales and use tax in any state, the seller must provide a Tennessee supplier with a fully completed Streamlined Sales and Use Tax Exemption Certificate including a tax ID number for another type of tax (e.g., business tax or excise tax ID number) issued by its home state or its federal identification number (FEIN).

Sellers with no Tax ID Number or FEIN

If the marketplace seller does not have any tax ID number issued by its home state or a FEIN, the out-of-state marketplace seller must include its driver's license number and state of issue in addition to the other required identifying information.

Sellers that use a Tennessee Supplier to Drop Ship Products to Tennessee Customers

An out-of-state marketplace seller that has a Tennessee supplier drop ship products to a consumer in Tennessee must provide the Tennessee supplier with a Tennessee resale certificate or a fully



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completed Streamlined Sales and Use Tax Exemption Certificate (including a Tennessee sales and use tax ID number) to make the purchases for resale without tax.

Foreign Marketplace Sellers

A foreign marketplace seller that is not required to be registered in the United States must provide a fully completed Streamlined Exemption Certificate with an ID number issued by its home country to claim that it is entitled to purchase products for resale.

The Streamlined Sales and Use Tax Exemption Certificate and the corresponding instructions may be found at the following links: [Streamlined Sales and Use Tax Exemption Certificate](#)

[Instructions for completing Streamlined Sales and Use Tax Exemption Certificate](#)

Reference: Tenn. Comp. R. & Regs. 1320-05-01-.29(2) and 1320-05-01-.96.