

## RS-3 - How to Apply Sales Threshold

*This article has been updated and is for informational purposes only.*

Out-of-state dealers who have no physical presence in Tennessee but make sales exceeding \$500,000 to consumers in Tennessee during the previous 12-month period must register with the Department and begin collecting and remitting Tennessee sales and use tax. NOTE: Beginning October 1, 2020, the sales threshold will be established at \$100,000.

To apply this threshold, you include all retail sales that occurred during the previous 12 months, regardless of where you are in the year. This includes retail sales to individuals, businesses, organizations, and any other purchaser, whether the sale is taxable or exempt. However, you should exclude sales to another dealer for resale.