

SUT-33 - Sale for Resale - Out-of-State Resale Certificates

This article is for information purposes only and NOT APPLICABLE BEGINNING JANUARY 10, 2022 due to the repeal of Sales and Use Tax Rule 96.

Sales tax resale exemption is allowed for Tennessee dealers and out-of-state dealers purchasing items or services in Tennessee that they normally resell. A dealer making purchases for resale must provide its supplier with a resale certificate to make purchases for resale without paying tax. Except in the case of drop shipments from a Tennessee supplier to a customer in Tennessee, an out-of-state dealer may provide its resale certificate with an ID number issued by another state, or a fully completed Streamlined Sales Tax Exemption Certificate including the ID number issued by the other state, to make purchases for resale in Tennessee. Tennessee does not accept the Streamlined Central Registration ID number instead of a sales tax ID number issued by another state.

For foreign dealers that are not registered in any state, the foreign dealer may provide a fully completed Streamlined Exemption Certificate with an ID number issued by its home country to claim it is entitled to purchase such property for resale.

Out-of-state dealers that have a Tennessee supplier drop ship products or services to a consumer in Tennessee must provide the Tennessee supplier with Tennessee resale certificate.

Reference: Tenn. Comp. R. & Regs. 1320-05-01-.29(2) and 1320-05-01-.96. Important Notice dated December 1998. Letter Rulings 00-45 and 96-37.