

SUT-36 – Streamlined Sales and Use Tax Agreement – Drop Shipments in Tennessee [Updated September 20, 2021]

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.

The amendment to the definition of “sale for resale,” allowing an out of state dealer to issue its out of state resale certificate instead of a Tennessee resale certificate for a drop shipment by a Tennessee supplier to a Tennessee consumer was removed and did not become effective July 1, 2021.

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. To learn more information about drop shipments, please read [SUT-35 - Sale for Resale - Drop Shipments to Tennessee Customers](#), Important Notice dated December 1998, Letter Ruling 00-45 and Letter Ruling 96-37.

Reference: [Important Notice 21-14 Inoperative Streamlined Sales Tax Provisions Deleted](#), Tenn. Comp. R. & Regs. 1320-05-01-.96.

SUT-36 - Sale for Resale – Streamlined Sales Tax Definition Includes Drop Shipment – INAPPLICABLE BEGINNING APRIL 30, 2021

The amendment to the definition of a "sale for resale," to include a drop shipment to a Tennessee end user by a Tennessee supplier on behalf of an out-of-state vendor, will be effective as of July 1, 2021. Prior to July 1, 2021, such sales may be considered exempt sales for resale only if certain criteria are met.

Reference: Tenn. Code Ann. § 67-6-102.