

Schedule A - Tax Computation by Location

Attach additional schedules as needed.

Location ID.....

1. Gross proceeds from rental of private passenger motor vehicles, freight motor vehicles (class 1-4), or trailers for period of 31 days or less.....

2. Gross tax (multiply Line 1 by the applicable rate)

Location	Location	Location	Location

Instructions: Motor Vehicle Rental Surcharge Tax Return

Businesses engaged in the rental of motor vehicles shall collect and remit a surcharge or tax on charges for the retail rental of any private passenger motor vehicle, freight motor vehicle (Classes 1-4), or trailer for periods of thirty-one (31) days or less when the vehicle is delivered to the renter in this state. Pole trailers and trailers constructed so that some part of their weight and that of their load rests upon or is carried by another vehicle are not subject to the surcharge/tax.

The return along with the appropriate tax payment is due quarterly on or before the 15th day of the month following the close of the quarter.

If this is an amended return, please indicate "Filing Period" and check the appropriate box on the front of this form.

Taxpayers should submit online their fully completed return, along with the amount from Line 10, by visiting the Department's website at <https://tntap.tn.gov/eservices>. Alternatively, they may mail the return and payment to the following address. Checks should be made out to the Tennessee Department of Revenue.

Tennessee Department of Revenue
Andrew Jackson State Office Building
500 Deaderick Street
Nashville, TN 37242

Return (round to the nearest dollar)

- Line 1: Enter the gross proceeds from rental of private passenger motor vehicles, freight motor vehicles (classes 1-4), and trailers for a period of 31 days or less (from Schedule A, Line 1 for all locations).
- Line 2: Enter the gross tax by multiplying the gross proceeds (Line 1) by **3%**. This should be the same amount that was entered on Schedule A, Line 2 for all locations.
- Line 3: Enter registration fee credits brought forward from prior quarters if applicable. Only unused credits from the prior three quarters are available. Credits older than the prior three quarters have expired and can no longer be reported. These credits will be used first. Line 3 cannot exceed the gross tax amount on Line 2.
- Line 4: Enter the net tax due by subtracting Line 3 from Line 2. Line 4 cannot be negative (please enter zero).
- Line 5: Enter the total county wheel taxes, title and registration fees, data processing fees, and other eligible deductions paid during the reporting quarter (for all locations).

A credit shall be allowed against the surcharge or tax in an amount equal to the total of all title and registration fees, wheel taxes, and county clerk fees paid upon initial or annual vehicle registration renewal during the reporting quarter. (Tenn. Code Ann. § 67-4-1903). If credits exceed the gross tax amount on Line 2, a carry-over of these credits can be used on future returns (report this amount in Line 3 on the next quarter's return). Overpayments on prior returns are not to be included in this credit as they are reported on Line 7 if applicable.

- Line 6: Enter the tax due by subtracting Line 5 from Line 4. If Line 5 is greater, the difference is a carry-over credit that can be used in the next quarter's filing. Line 6 cannot be negative (please enter zero).

- Line 7: If your account has a credit balance from an overpayment of tax on a prior return, enter the amount on this line.
- Line 8: Penalty is calculated at a rate of **5%** for each 30-day period, or portion thereof, that a return is delinquent, up to a maximum of **25%** of the delinquent amount. The minimum penalty is **\$15** for the delinquent filing of a return. If your return is delinquent, apply the appropriate penalty rate to the total tax due (Line 6 minus Line 7).
- Line 9: Interest is due on any amount of tax that is paid after the statutory due date of the return. The interest rate is determined in accordance with Tenn. Code Ann. § 67-1-801. The current interest rate can be found at www.tn.gov/revenue by clicking the Tax Resources tab. If the payment is late, apply the interest rate to the total tax due (Line 6 minus Line 7). Use the formula: (Total Tax Due (Line 6 minus Line 7) x Interest Rate x Number of Days Delinquent divided by 365.25). The interest amount due is recorded on Line 9.
- Line 10: Add Lines 6, 8, and 9 then subtract Line 7 to determine the Total Amount Due. This is the amount that should be remitted to the Department of Revenue.

Schedule A – Tax Computation by Location

Enter the location ID for each location from which motor vehicle rentals is performed.

- Line 1: Enter the gross proceeds from rental of private passenger motor vehicles, freight motor vehicles (classes 1-4), and trailers for a period of 31 days or less for each location (totals across locations is entered in Line 1 of the Return).
- Line 2: Enter the gross tax by multiplying the gross proceeds (Line 1) by **3%** for each location (totals across locations is entered in Line 2 of the Return).