



Round to nearest dollar

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|--|------|-------|
| 1. Total of All Purchases..... | (1) | _____ |
| 2. State Tax on All Purchases (Multiply Line 1 x 7%)..... | (2) | _____ |
| 3. State Single Article Tax (Total from Schedule A, Column E) | (3) | _____ |
| 4. Total State Tax (Add Lines 2 and 3) | (4) | _____ |
| 5. Total Purchases [Line 1 Minus Single Articles with a Unit Price in Excess of \$1,600 (Total from Schedule A, Column B) and Purchases of Specified Digital Products Included in Line 1]..... | (5) | _____ |
| 6. Local Tax (Multiply Line 5 x Applicable Sales Tax Rate) | (6) | _____ |
| 7. Total Amount of Specified Digital Products Deducted on Line 5..... | (7) | _____ |
| 8. Local Tax on Specified Digital Products (Multiply Line 7 x 2.50%) | (8) | _____ |
| 9. Local Tax on Single Articles with a Unit Price in Excess of \$1,600 (Total from Schedule A, Column C)..... | (9) | _____ |
| 10. Local Option Transit Surcharge (Multiply Line 5 by Applicable Surcharge Tax Rate and Add Total from Schedule A, Column D) | (10) | _____ |
| 11. Total Local Tax (Add Lines 6, 8, 9, and 10) | (11) | _____ |
| 12. Total Amount Due (Add Lines 4 and 11) | (12) | _____ |

I declare this is a true, complete, and accurate return to the best of my knowledge.	
Taxpayer Signature	Date

FOR OFFICE USE ONLY

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INSTRUCTIONS

Tennessee use tax applies when Tennessee sales tax is not paid when purchasing a taxable product, which includes computer software, specified digital products, and video game digital products. This generally occurs when a user purchases a product from an out-of-state dealer not registered for sales and use tax in Tennessee. This commonly includes out-of-state merchants selling taxable products through the internet, telephone, or mail-order catalogs. It also applies when purchasing a product outside the state. Tennessee use tax must be paid directly to the Department of Revenue. You must file and pay use tax at least annually, but you may file and pay more frequently, such as after each purchase.

Tennessee provides a credit for sales tax paid to another state. If you purchased property subject to tax in another state and paid that state's sales tax at the time of purchase, you may receive credit for the amount paid.

Return - Round to the nearest whole dollar

- Line 1: Enter the total purchase price of all tangible personal property, computer software, specified digital products, and video game digital products, purchased for use and consumption in Tennessee where no Tennessee sales tax was paid to the seller at the time of purchase. This amount includes shipping and handling fees. Do not include items purchased from out-of-state that will be resold in the conduct of a business. Do not include the amount of sales taxes paid in another state.
- Line 2: Multiply the total reported on Line 1 by 7%. Enter the result.
- Line 3: Add the amounts reported in all rows of Schedule A, Column E. Enter the total.
- Line 4: Add Lines 2 and 3. Enter the total.
- Line 5: Add the amounts reported in all rows of Schedule A, Column B. Add the total purchase price of all specified digital products reported on Line 1. Subtract the resulting figure from the total reported on Line 1 and enter the result.
- Line 6: Multiply Line 5 by the applicable local sales tax rate and enter the result. To determine your local sales tax rate, see the Department's website at www.tn.gov/revenue.
- Line 7: Enter the total purchase price of all specified digital products reported on Line 1.
- Line 8: Multiply Line 7 by 2.50%. Enter the result.
- Line 9: Add the amounts reported in all rows of Schedule A, Column C. Enter the total.
- Line 10: If applicable (see the instructions below for Schedule A, Column D), multiply Line 5 by 0.5%. Add to this figure the total of all amounts reported in all rows of Schedule A, Column D. Enter the total.
- Line 11: Add Lines 6, 8, 9, and 10. Enter the total.
- Line 12: Add Lines 4 and 11. Enter the total.

Schedule A - Calculation of Single Article Tax

NOTE: Schedule A determines the local sales tax and the state single article tax due on purchasing individual items of tangible personal property with a unit purchase price of more than \$1,600. The first \$1,600 of the purchase price is subject to local tax at the local tax rate for your residence or business address. A local tax chart is available at www.tn.gov/revenue. Additionally, the 2.75% state single article tax applies to the portion of the purchase price between \$1,600 to \$3,200.

Example – The purchase price of a sofa is \$2,000. The state tax at 7% is \$140. The local tax at 2.25% on the first \$1,600 of the price is \$36. The state single article tax at 2.75% on \$400 (the purchase price amount over \$1,600) is \$11. The total tax due is \$187.

Do not report single articles of tangible personal property with a purchase price less than or equal to \$1,600 on Schedule A. Do not report other taxable items, such as specified digital products, on Schedule A.

Schedule A – Instructions

Column A – Provide a brief description of the item purchased.

Column B – Enter the purchase price of the item. The purchase price should include shipping and handling fees but should not include the amount of sales taxes paid in other states.

Column C – Multiply \$1,600 by the applicable local tax rate for your residential or business address. Enter the result in the box provided. Total all amounts reported in Column C and enter on Line 9 on Page 1.

Column D – For residents or businesses located in Davidson County, a local option transit surcharge tax rate of 0.5% applies in addition to Davidson County's local option sales tax rate. For single articles of tangible personal property with a purchase price of more than \$1,600, calculate the local option transit surcharge due by multiplying \$1,600 by 0.5% for each applicable item. Total all amounts reported in Column D and add to Line 10 on Page 1.

Column E – The state single article tax applies to purchases of single articles of tangible personal property with a purchase price of more than \$1,600. Calculate the state single article tax due by multiplying the portion of the item's purchase price in excess of \$1,600 (This portion of the price should not exceed \$1,600.) by 2.75%. (Example: For a single article with a purchase price of \$4,000, the single article tax base is \$1,600.) Total all amounts reported in Column E and enter on Line 3 on Page 1.

Column A Description of Item	Column B Purchase Price	Column C \$1,600 x Local Tax Rate	Column D \$1,600 x Local Option Transit Surcharge Tax Rate	Column E State Single Article Tax