These instructions apply to Tennessee's sales and use tax return for TV Programming and Telecommunications Services for periods beginning on or after July 1, 2022. The due date for the TV Programming and Telecommunications Services return is the 20th of the month following the end of the reporting period. Payment of the amount shown on Line 24 is to be made to the:

Tennessee Department of Revenue
Andrew Jackson State Office Building
Nashville, Tennessee 37242.

**Line 1.** Enter all TV programming sales. Include cash sales, credit sales, conditional sales, and sales exempt from tax. Exclude the amount of sales tax collected or accrued.

**Line 2.** Enter all telecommunications sales. Include cash sales, credit sales, conditional sales, and sales exempt from tax. Exclude the amount of sales tax collected or accrued.

**Line 3.** Enter all sales including exempt sales for sales, leases, or rentals of tangible personal property, specified digital products, and all sales of taxable services including ancillary services. Do not include TV programming and telecommunication services reported on Line 1 and Line 2.

**Line 4.** Enter the cost of tangible personal property that was purchased from a dealer in Tennessee, without the payment of sales tax, and that was not resold and tangible personal property, specified digital products, and computer software imported from out-of-state for use and consumption by your business in this state. Do not enter the cost of items remaining in inventory for resale.

**Line 5.** Add Lines 1, 2, 3, and 4.

**Line 6.** Enter the total amount from Schedule A, Line 9. Exemptions may be disallowed if not detailed as indicated in the appropriate category in Schedule A. (See instructions for Schedule A.)

**Line 7.** Subtract Line 6 from Line 5.

**Line 8.** Enter taxable fees in the amount of $15.01 up to and including $27.50 charged to each subscriber for TV programming services sold by a video programming service provider (cable, wireless, and broadband).

**Line 9.** Enter total taxable sales of TV programming services sold by a direct-to-home satellite service provider.

**Line 10.** Add Lines 8 and 9 and multiply the total by 8.25%. Enter the total.

**Line 11.** Enter total taxable sales to businesses of international and interstate telecommunications services.

**Line 12.** Multiply Line 11 by 7.5% and enter total.

**Line 13.** Subtract Lines 8, 9, and 11 from Line 7, then multiply the result by 7% and enter here.

**Line 14.** Enter the state single article amount from Schedule C, Line 2.

**Line 15.** Enter the total amount from Schedule B, Line 13. Schedule B must be completed.

**Line 16.** Enter any tax collected in excess of state and local taxes shown on Lines 10, 12, 13, 14, and 15.

**Line 17.** Enter the 911 surcharge amount from Schedule D, Line 6.

**Line 18.** Multiply the number of prepaid wireless transactions made by $1.50. Subtract the 2% administrative fee. Enter the result.

**Line 19.** Add Lines 10, 12, 13, 14, 15, 16, 17, and 18. Enter the total.

**Line 20.** Vendors compensation is allowed for timely filed and timely paid returns of sales tax collected from July 1, 2022 to June 30, 2023. Vendor’s compensation is calculated at 2% of the state tax due from Lines 10, 12, 13, and 14 not to exceed $25. Vendor's compensation does not apply to the local sales tax. Failure to timely file or timely pay the total tax due on the return will result in the loss of the vendor's compensation deduction.

**Line 21.** If your account has a credit balance from an overpayment on a prior return, enter the amount on this line and deduct from Line 19.
The law provides for the deduction from gross sales and purchases those items specifically exempt from tax. Schedule A is used to identify those items. Any amount claimed as an exemption on Line 6 must be itemized on this Schedule.

Line 1. Include all sales made to vendors or other establishments for resale or for rental or lease. These transactions must be supported by valid certificates of resale that must be retained in your files.

Line 2. Enter all sales to the federal government, the State of Tennessee and its political subdivisions, and sales to qualified nonprofit institutions such as churches, nonprofits, schools, hospitals, homes for the aged, and orphanages, including sales of private communications services to qualified purchasers. These transactions must be supported by proper exemption certificates that must be retained in your files.

Line 3. Include only taxable tangible personal property voluntarily returned by the purchaser and that has been included in Gross Sales on this or a previous return and for which full credit is given to the purchaser. Do not include repossessions.

Line 4. Deduct only those sales of tangible personal property originating in Tennessee where the purchaser takes possession outside Tennessee for use or consumption outside the state.

Line 5. Enter total sales of international and interstate telecommunications to qualified call centers. These transactions must be supported by proper exemption certificates that must be retained in your files.

Line 6. Enter fees in the amount of $15 or less charged to each subscriber of TV programming sold by a cable, or broadband wireless cable television programming services provider. Do not include charges to subscribers that have been deducted on Line A2. The $15 minimum exemption does not apply to sales of TV programming by a direct-to-home satellite service provider.

Line 7. Enter that portion of the unpaid principal balances due on tangible personal property repossessed from the customer in excess of $500. (See Instructions for Schedule B, Lines 2 and 10.)

Line 8. Any other deductions allowed by law must be entered here. Dealers must retain documentation.

Line 9. Total the amounts on Schedule A, Lines 1 through 8 and enter on this line. The total must also be entered on Page 1, Line 6 of the return.

SCHEDULE A – EXEMPT TRANSACTIONS

The law provides for the deduction from gross sales and purchases those items specifically exempt from tax. Schedule A is used to identify those items. Any amount claimed as an exemption on Line 6 must be itemized on this Schedule.

Line 1. Include all sales made to vendors or other establishments for resale or for rental or lease. These transactions must be supported by valid certificates of resale that must be retained in your files.

Line 2. Enter all sales to the federal government, the State of Tennessee and its political subdivisions, and sales to qualified nonprofit institutions such as churches, nonprofits, schools, hospitals, homes for the aged, and orphanages, including sales of private communications services to qualified purchasers. These transactions must be supported by proper exemption certificates that must be retained in your files.

Line 3. Include only taxable tangible personal property voluntarily returned by the purchaser and that has been included in Gross Sales on this or a previous return and for which full credit is given to the purchaser. Do not include repossessions.

Line 4. Deduct only those sales of tangible personal property originating in Tennessee where the purchaser takes possession outside Tennessee for use or consumption outside the state.

Line 5. Enter total sales of international and interstate telecommunications to qualified call centers. These transactions must be supported by proper exemption certificates that must be retained in your files.

Line 6. Enter fees in the amount of $15 or less charged to each subscriber of TV programming sold by a cable, or broadband wireless cable television programming services provider. Do not include charges to subscribers that have been deducted on Line A2. The $15 minimum exemption does not apply to sales of TV programming by a direct-to-home satellite service provider.

Line 7. Enter that portion of the unpaid principal balances due on tangible personal property repossessed from the customer in excess of $500. (See Instructions for Schedule B, Lines 2 and 10.)

Line 8. Any other deductions allowed by law must be entered here. Dealers must retain documentation.

Line 9. Total the amounts on Schedule A, Lines 1 through 8 and enter on this line. The total must also be entered on Page 1, Line 6 of the return.
Use this schedule to calculate the amount of local sales tax due. Schedule B must be completed.

**SCHEDULE B – LOCAL SALES TAX**

Line 1. Enter state net taxable sales from Page 1, Line 7.
Line 2. From Schedule A, Lines 3 and 7, enter the portion of the amount listed that was not subject to local tax on a prior return.
Line 3. Enter the total of Lines 8, 9, and 11 from Page 1.
Line 4. Add Lines 1 and 2 and subtract Line 3. Enter the total.
Line 5. Enter the total of international and interstate telecommunication services that are subject to the 1.5% local tax rate. Amounts subject to the 7.5% tax rate included on Page 1, Line 11 should not be included here.
Line 6. Multiply Line 5 by 1.5% and enter total.
Line 7. Enter total of intrastate telecommunications, ancillary services, and specified digital products that are subject to a 2.5% local tax rate. Do not include amounts of sales of TV programming, interstate telecommunication services, or sales of tangible personal property.
Line 8. Multiply Line 7 by 2.5% and enter total.
Line 9. Enter the total of amounts in excess of the maximum local tax base on each single article sold that have not been deducted elsewhere. Also, enter any amounts in excess of the maximum local tax base per single article purchased and reported for use tax on this return.
Line 10. Enter any other amount of qualified local tax deductions not reported elsewhere on Schedule B of this return. A deduction may be taken on this line to receive credit of a portion of the local option tax previously paid on repossessed tangible personal property. Dealers must keep documentation to explain deductions.
Line 11. Add Lines 5, 7, 9, and 10 and subtract from Line 4. Enter the total here.
Line 12. Enter the total local tax amount due for Line 11. This local tax amount must be calculated using the appropriate local rate(s) designated for each location.
Line 13. Add Lines 6, 8, and 12. Enter the total here and on Page 1, Line 15 of this return.

**SCHEDULE C – STATE SINGLE ARTICLE TAX**

Line 1. Enter the total sales from $1,600 through $3,200 on the sales price of all single articles sold.
Line 2. Multiply the amount on Schedule C, Line 1 by 2.75% (.0275) and enter the result on Schedule C, Line 2 and on Page 1, Line 14.

**SCHEDULE D – 911 SURCHARGE**

Line 1. Enter the number of telecommunications services being billed.
Line 2. Enter the gross collections of 911 surcharges for the reporting period. This does not include 911 surcharges collected on prepaid wireless services.
Line 3. Enter the amount collected of uncollectible deductions from prior reporting periods.
Line 4. Add Lines 2 and 3.
Line 5. Enter the amount of administrative fees for collection of the surcharge.
Line 6. Amount of 911 surcharges due - Subtract Line 5 from Line 4. Enter here and on Page 1, Line 17 on this return.