

## Change of Local Tax Rate: Smith County

### Local Tax Rate Change in Smith County

On November 26, 2018, voters in Smith County voted to decrease the local sales tax rate to 2.00%. The effective date of the tax rate decrease is July 1, 2019.

### Application of the New Tax Rate

The new rate will apply to all taxable sales of tangible personal property made on or after July 1, 2019. It also applies to the sale of taxable services for billing periods starting on or after July 1, 2019. Sellers located in Smith County and the Smith County city of South Carthage must collect and remit tax at this new rate.

The corresponding local consumer use tax rate for people in Smith County and South Carthage also decreases to 2.00%.

Note, this local tax rate decrease does not impact sellers located in the cities of Carthage and Gordonsville. The local tax rate in Carthage and Gordonsville remains 2.75%.

### Single Article Application

For Smith County the local option tax is limited to the first \$1,600 of the sales price of any tangible

personal property sold, unless that item is specifically exempted from local tax or taxed at another rate by law. When applying the new local tax rate, the local tax cap on sales of single articles of tangible personal property in Smith County and South Carthage will be \$32. The local tax cap on sales of singles articles of tangible personal property in Carthage and Gordonsville remains \$44.

The local tax rate applies to the total sales price of any taxable service.

In addition, there is a state single article tax rate of 2.75% applicable to the sales price, from \$1,600.01 up to and including \$3,200, of any item of tangible personal property.

### For More Information

Visit [www.tn.gov/revenue](http://www.tn.gov/revenue). Click on Revenue Help to search for answers or to submit an information request to one of our agents.

### References

Tenn. Code Ann. § 67-6-702