



# Local Sales and Use Tax Notice

Notice #19-21

November 2019

## Change of Local Tax Rate: City of Memphis

### Local Tax Rate Change in Memphis, Tennessee

On October 3, 2019, voters in the City of Memphis voted to increase the local sales tax rate to 2.75%. The effective date of the tax rate increase is January 1, 2020.

### Application of the New Tax Rate

The new rate will apply to all taxable sales of tangible personal property made on or after January 1, 2020. It also applies to the sale of taxable services for billing periods starting on or after January 1, 2020. Sellers located in the City of Memphis must collect and remit the tax at this new rate.

The corresponding local consumer use tax rate for people in the City of Memphis also increases to 2.75%.

### Single Article Application

The local option tax rate in the City of Memphis is applicable to the first \$1,600 of the sales price of any single article of tangible personal property sold, unless that item is specifically exempted from local tax or taxed at another rate by law. The local tax cap on sales of single articles of tangible personal property will be \$44. The local rate is also applicable 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.