



Local Sales and Use Tax Notice

Notice #24-10

November 2024

Change of Local Tax Rate: Johnson County

Local Tax Rate Change in Johnson County, Tennessee

On August 16, 2024, voters in Johnson County voted to increase the local sales tax rate to 2.00%. The effective date of the tax rate increase is January 1, 2025.

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, 2025. It also applies to the sale of taxable services for billing periods starting on or after January 1, 2025. Sellers located in Johnson County, and the Johnson County cities of Butler, Laurel Bloomery, Mountain City, and Shady Valley, must collect and remit the tax at this new rate.

The corresponding local consumer use tax rate for people in Johnson County also increases to 2.00%.

Single Article Application

The local option tax rate in Johnson County 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 \$32. 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. 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.

Disclaimer: The information provided here is current as of the date of publication but may change as a result of new statutes, regulations, or court decisions. While this notice is intended to be comprehensive, events and situations unanticipated by this notice may occur. In such cases you should contact the department or your tax professional for further guidance.