



STATE OF TENNESSEE
DEPARTMENT OF REVENUE
ANDREW JACKSON STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37242

Local Option Sales and Use Tax on Single Articles

Updated: September 24, 2012

Tennessee Code Annotated Section 67-6-702 provides for a maximum local option sales or use tax on the sales of articles of tangible personal property. This maximum amount is calculated by multiplying the maximum base amount by the local rate of tax. Local governments can change the maximum base amount by resolution, with the local rate of tax only being changed by referendum.

To determine the amount of local tax, multiply the sales price of a single article, up to the local tax base for the local jurisdiction, times its local rate of tax. If the sales price of the single article exceeds the local base amount (usually \$1,600), the local sales tax will not apply to any portion of the sales price that exceeds the local base amount for that local jurisdiction.

Example: A sale occurs in Bradley County. Bradley County's local option tax rate is 2.75% and applies only to the first \$1,600 per single article. The item purchased is sold for \$3,000. The local tax is calculated as follows:

| | |
|----------------|-------------------------------------------------------------------------|
| \$1,600 | only \$1,600 , the maximum amount allowable of the \$3,000 price |
| x 2.75% | the local rate of tax |
| \$44.00 | the total maximum local tax |

Generally, a "single article" of tangible personal property is defined as any unit, exclusive of any accessories, extra parts, etc. and the data which is capable of being sold as an independent unit, or as a common unit of measure, a regular billing, or other obligation. Examples are motor vehicles, boats, televisions, large machinery and equipment, or anything that is preassembled or self-contained from the manufacturer. Invoiced totals or line item entries containing many units are not single articles. A lease of one article is considered a single article for maximum local tax purposes.

For motor vehicle, boat, and factory manufactured home dealers only: Dealer installed accessories for motor vehicles, boats, and factory manufactured homes are specifically named in the law as part of the single article and will not be taxed separately on the local option tax. However, dealer installed accessories on other single articles, such as machinery and equipment, airplanes, etc. will not be considered as part of the single article and will be taxed separately on the local option tax. Additionally, a boat trailer is considered to be a separate single article.

Extended warranties, repair, and maintenance agreements on tangible personal property are taxable services, not a part of the single article of tangible personal property and will be taxed separately. Charges for taxable services cannot, by definition qualify for the single article limitation and must be taxed at the state and local tax rate for the entire sales price of the service.

Special Note: Morristown, Tennessee has a local \$1,600 maximum tax base within its city limits, while the rest of Hamblen County has a \$300 base.

Local Sales Tax Bases and Rates With Effective Dates of Last Rate Change

| County | Effective Date | Base | Rate | County | Effective Date | Base | Rate |
|------------|----------------|---------|-------|-------------|----------------|---------|-------|
| Anderson | 7/2006 | \$1,600 | 2.75% | Lauderdale | 1/1995 | \$1,600 | 2.75% |
| Bedford | 8/2001 | \$1,600 | 2.75% | Lawrence | 3/1996 | \$1,600 | 2.75% |
| Benton | 1/1997 | \$1,600 | 2.75% | Lewis | 7/1997 | \$1,600 | 2.50% |
| Bledsoe | 2/1991 | \$1,600 | 2.25% | Lincoln | 5/1992 | \$1,600 | 2.50% |
| Blount | 8/1983 | \$1,600 | 2.25% | Loudon* | 7/1998 | \$1,600 | 2.00% |
| Bradley | 7/2009 | \$1,600 | 2.75% | McMinn | 8/1983 | \$1,600 | 2.00% |
| Campbell* | 9/1983 | \$1,600 | 2.25% | McNairy | 9/1983 | \$1,600 | 2.25% |
| Cannon | 9/1983 | \$1,600 | 1.75% | Macon | 10/1983 | \$1,600 | 2.25% |
| Carroll | 10/1997 | \$1,600 | 2.75% | Madison | 10/1983 | \$1,600 | 2.75% |
| Carter | 1/2009 | \$1,600 | 2.75% | Marion | 5/2006 | \$1,600 | 2.75% |
| Cheatham* | 10/1983 | \$1,600 | 2.25% | Marshall | 12/1983 | \$1,600 | 2.25% |
| Chester | 6/1995 | \$1,600 | 2.75% | Maurry | 8/1983 | \$1,600 | 2.25% |
| Claiborne | 10/1983 | \$1,600 | 2.25% | Meigs | 10/1983 | \$1,600 | 2.00% |
| Clay | 11/1999 | \$1,600 | 2.75% | Monroe | 9/1983 | \$1,600 | 2.25% |
| Cocke | 3/1988 | \$1,600 | 2.75% | Montgomery | 1/1989 | \$1,600 | 2.50% |
| Coffee | 4/2007 | \$1,600 | 2.75% | Moore | 9/1988 | \$1,600 | 2.50% |
| Crockett | 6/1996 | \$1,600 | 2.75% | Morgan* | 9/1983 | \$1,600 | 2.00% |
| Cumberland | 9/1999 | \$1,600 | 2.75% | Obion | 5/2000 | \$1,600 | 2.75% |
| Davidson | 10/1983 | \$1,600 | 2.25% | Overton | 8/1997 | \$1,600 | 2.50% |
| Decatur | 2/1998 | \$1,600 | 2.50% | Perry | 1/1998 | \$1,600 | 2.50% |
| Dekalb | 7/2007 | \$1,600 | 2.75% | Pickett | 1/1999 | \$1,600 | 2.75% |
| Dickson | 10/2001 | \$1,600 | 2.75% | Polk | 3/1984 | \$1,600 | 2.25% |
| Dyer | 4/2001 | \$1,600 | 2.75% | Putnam | 7/1999 | \$1,600 | 2.75% |
| Fayette | 9/1983 | \$1,600 | 2.25% | Rhea | 10/2008 | \$1,600 | 2.75% |
| Fentress | 10/1992 | \$1,600 | 2.50% | Roane* | 9/1983 | \$1,600 | 2.50% |
| Franklin | 10/1986 | \$1,600 | 2.25% | Robertson | 8/2007 | \$1,600 | 2.75% |
| Gibson* | 5/2012 | \$1,600 | 2.75% | Rutherford | 7/2000 | \$1,600 | 2.75% |
| Giles | 7/1998 | \$1,600 | 2.50% | Scott | 11/1984 | \$1,600 | 2.25% |
| Grainger | 7/1994 | \$1,600 | 2.75% | Sequatchie | 7/1988 | \$1,600 | 2.25% |
| Greene | 5/2000 | \$1,600 | 2.75% | Sevier | 7/2009 | \$1,600 | 2.75% |
| Grundy | 9/1977 | \$333 | 2.25% | Shelby | 9/1983 | \$1,600 | 2.25% |
| Hamblen | 7/2009 | \$300 | 2.75% | Smith | 5/2000 | \$1,600 | 2.75% |
| Hamilton | 7/2004 | \$1,600 | 2.25% | Stewart* | 11/1999 | \$1,600 | 2.25% |
| Hancock | 1/1983 | \$375 | 2.00% | Sullivan* | 9/1983 | \$1,600 | 2.25% |
| Hardeman | 7/2002 | \$1,600 | 2.75% | Sumner* | 10/1983 | \$1,600 | 2.25% |
| Hardin | 11/1997 | \$1,600 | 2.50% | Tipton* | 9/1983 | \$1,600 | 2.25% |
| Hawkins | 10/1988 | \$1,600 | 2.75% | Trousdale | 12/1983 | \$1,600 | 2.25% |
| Haywood | 10/1998 | \$1,600 | 2.75% | Unicoi | 12/2004 | \$1,600 | 2.75% |
| Henderson | 10/1997 | \$1,600 | 2.75% | Union | 2/2005 | \$1,600 | 2.25% |
| Henry | 8/1988 | \$1,600 | 2.25% | Van Buren | 1/1990 | \$1,600 | 2.75% |
| Hickman | 7/2003 | \$1,600 | 2.75% | Warren | 4/2004 | \$1,600 | 2.75% |
| Houston | 10/1986 | \$1,600 | 2.75% | Washington | 7/1994 | \$1,600 | 2.50% |
| Humphreys* | 10/2011 | \$1,600 | 2.75% | Wayne | 10/1998 | \$1,600 | 2.75% |
| Jackson | 5/2000 | \$1,600 | 2.75% | Weakley | 7/1998 | \$1,600 | 2.75% |
| Jefferson | 10/2008 | \$1,600 | 2.75% | White | 9/1983 | \$1,600 | 2.25% |
| Johnson | 11/1987 | \$1,600 | 1.50% | Williamson* | 4/1991 | \$1,600 | 2.25% |
| Knox | 7/1983 | \$1,600 | 2.25% | Wilson | 11/1993 | \$1,600 | 2.25% |
| Lake | 3/1997 | \$1,600 | 2.75% | | | | |

Note: Counties shown with an asterisk (*) have cities in their jurisdiction that have exercised their right to levy an increase above the county rate. The combined rate cannot exceed the combined maximum rate of 2.75%. See the Department of Revenue's Web site, www.tn.gov/revenue for a complete list of these cities.