CERTIFICATE OF COMPLIANCE -- ST STATE OF TENNESSEE

Revised July 2009*

SECTION	TOPIC DOCUMENT COMMENTS/ REFERENCE TO CRIC INTERPRETATIONS	DESCRIPTION	Is this requirement met by law, regulation or administrative practice (Yes or No). Enter N/A when not applicable.	If so, provide the citation for legal authority (statute, case, regulation, etc.)	For SST conforming changes, provide effective dates.	Notes (e.g., administrative practices, noncompliance explanations, etc.)
Section 301	**State level administration**					
		Does the state provide state level administration of state and local sales and use taxes?	Yes	T.C.A. 67-6-401 and 67-6-710(a)(1)		
		Are sellers only required to register with, file returns and remit funds to a state-level authority?	Yes	T.C.A. 67-6-504, 67-6-601 and 67-6-602	2007 P.C. 602 Sec. 117 T.C.A. 67-6-608 (a). Eft. 1-1-08.	
		Does the state provide for the collection of any local taxes and distribute them to the appropriate taxing jurisdictions?	Yes	T.C.A. 67-6-401, 67-6-710 and 67-6-712	2007 P.C. 602 Sec. 136, 167, 168. T.C.A. 67-6-103(g) & 67-6-710. Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		Are audits conducted only by the state or by others authorized by the state to conduct an audit that includes both state and local taxes?	Yes	T.C.A. 67-6-401, 67-6-523, and 67-6-710 and 2009 P.C. 530 Sec. 95		
		Are local jurisdictions prohibited from conducting independent sales or use tax audits of sellers registered under the Agreement?	Yes	T.C.A. 67-6-401, 67-6-523, and 67-6-710		
Section 302	**State and local tax base**					
		Is the tax base for local jurisdictions identical to the state tax base, excluding federal prohibitions, motor vehicles, aircraft, watercraft, modular homes, manufactured homes and mobile homes?	Yes, Eft. 7-1-11.		2007 PC 602 Sec. 79 & 81 Eft. 1-1-08 2007 PC 602 Sec. 129, 131, 132, 135, 137, 138, 142, 143, 144, 146, 147, 150, 151, 155, 164, 165, 170. Eft. Date Changed to 7-1-11 by 2009 PC 530 Sec. 35 - 49	Cable TV repeal 67-6-226, 67-6-103(f), 67-6-714 & video program. exempt s/u tax 67-6-329 & priv tax imposed 67-4-2401(Sec.137,138,147,151,135, 170, 130); interstate bus. telecom repeal local exemption 67-6-702(g)(1)(Sec.146,164); energy fuels for nurseries exempt s/u tax 67-6-207 & repeal 67-6-218 (Sec. 79, 81 eft 1-1-08); energy fuels for mfrs exempt s/u tax 67-6-206 & repeal 67-6-704 & imposed priv tax 67-4-2303 (Sec. 142, 165, 129); materials owned by nonprofit colleges exempt s/u tax 67-6-209(b) (Sec. 143); aviation fuel exempt s/u tax 67-6-386 & repeal 67-6-217 & imposed priv tax 67-4-2701 (Sec. 155,144,132); energy fuels sold to business repeal local exemption 67-6-704 & impose .5% local tax rate 67-6-702(a)(Sec.164,165); steam, chilled water from metro county govt. exempt s/u tax 67-6-322(g) & repeal 67-6-704 & impose priv tax 67-4-2304 (Sec. 150, 129); dyed diesel fuel exempt s/u tax 67-6-329 & repeal 67-6-704 & impose priv tax 67-4-2501 (Sec. 151, 165, 131); single article to apply only to motor vehicles, aircraft, watercraft, manuf. & modular homes 67-6-702(c) (Sec. 164)

Section 303	**Seller registration**					
		Is the state capable of pulling registration information from the central registration system?	Yes	T.C.A. 67-6-608	2007 PC 602 Sec . 117 Eft. 1-1-08	
		Does the state exempt a seller without a legal obligation to register from paying registration fees?	Yes			No fee charged for registration.
		Does the state allow a seller to register on the central registration system without a signature?	Yes			
		Does the state allow an agent to register a seller on the central registration system?	Yes	T.C.A. 67-6-608		
Section 304	**Notice for state tax changes**					
	Failure to meet these does not take a state out of compliance.	A1. Does the state provide sellers with as much advance notice as practicable of a rate change?	Yes			
		A2. Does the state limit the effective date of a rate change to the first day of a calendar quarter?	No			
		A3. Does the state notify sellers of legislative changes in the tax base and amendments to sales and use tax rules and regulations?	Yes			After the legislative session each year the department issues notices regarding statute changes, posts hot topic and legislative summaries and other information to the web site and conducts taxpayer seminars across the states to notify taxpayers of statute changes.
		B. Does the state limit the relief of the sellers obligation to collect sales or use taxes for that member state if the seller failed to receive notice or the state failed to provide notice or limit the effective date of a rate change.	No			
Section 305	**Local rate and boundary change**					
		Does the state have local jurisdictions that levy a sales or use tax? If yes, answer the following questions.	Yes			
		A. Does the state limit the effective date of local rate changes to the first day of a calendar quarter after a minimum of 60 days notice?	Yes Eft. 7-1-11	T.C.A. 67-6-706(a)(3) and 67-6-716(1) Eft. 7-1-11	2007 PC 602 Sec. 166 & 172. Eft. date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		B. Does the state limit the effective date of local rate changes from catalog sales wherein the purchaser computed the tax based on local tax rates published in the catalog only on the first day of a calendar quarter after a minimum of 120 days notice?	Yes Eft. 7-1-11	T.C.A. 67-6-716(2) Eft. 7-1-11	2007 PC 602 Sec. 172. Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		C. Does the state limit local boundary changes for the purposes of sales and use taxes to the first day of calendar quarter after a minimum of 60 days notice?	Yes Eft. 7-1-11	T.C.A. 67-6-716(3) Eft. 7-1-11	2007 PC 602 Sec. 172. Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		D. Does the state provide and maintain a database with boundary changes?	Yes Eft. 5-2005	T.C.A. 67-6-806	2007 PC 602 Sec. 124. Eft. 1-1-08	Creation of database completed in May 2005.

		E. Does the state provide and maintain a database identifying all jurisdictional rate information using the FIPS codes?	Yes	T.C.A. 67-6-806	2007 PC 602 Sec. 124. Eft. 1-1-08	Creation of address & 5 digit zip code database was completed in May 2005 and Janaury 2007 the update with 9 digit code information was completed and also available in a downloadable format.
		F1. Does the state provide and maintain a database that assigns each five digit and nine digit zip code within the member state to the proper tax rate and jurisdiction?	Yes	T.C.A.67-6-806	2007 PC 602 Sec. 124. Eft. 1-1-08	
		F2. Does the state apply the lowest combined tax rate imposed in a zip code if the area in that zip code includes more than one tax rate?	Yes	T.C.A. 67-6-806	2007 PC 602 Sec. 124. Eft. 1-1-08	The data base includes addresses and 5 and 9 digit zip codes and does apply the lowest local tax rate where an area is identifed as including more than 1 local tax rate.
		G. Does the state provide address-based boundary database records for assigning taxing jurisdictions and their associated rates? If yes, answer the following questions.	Yes	T.C.A. 67-6-806	2007 PC 602 Sec. 124. Eft. 1-1-08	Tennessee's database is also an address-based system.
		1. Are the records in the same format as database records in F?	Yes	T.C.A. 67-6-806	2007 PC 602 Sec. 124. Eft. 1-1-08	
		2. Do the records meet the requirements of the Federal Mobile Telecommunications Sourcing Act?	Yes	T.C.A. 67-6-806	2007 PC 602 Sec. 124. Eft. 1-1-08	
		H. If the state has met the requirements of subsection (F) and elected to certify vendor provided address-based databases for assigning tax rates and jurisdiction:	No			
		1. Are those databases in the same format as the database records approved pursuant to (G) of this section?	NA			
		2. Do those databases meet the requirements of the Federal Mobil Telecommunications Sourcing Act (4 U.S.C.A. Sec. 119 (a))?	NA			
Section 306	**Relief from certain liability**					
		Does the state relieve sellers and CSPs from liability to the state and its local jurisdictions for collecting the incorrect amount of tax because of reliance on state provided data on rates, boundaries, and jurisdiction assignments?	Yes	T.C.A. 67-6-533	2007 PC 602 Sec. 110 Eft. 1-1-08	Prior to 1-1-08 such relief of liability was available to CSPs and their Model 1 Sellers
Section 307	**Database requirements and exceptions**					
		A. Does the state provide a database per Section 305, in downloadable format?	Yes	T.C.A. 67-6-806	2007 PC 602 Sec. 124. Eft. 1-1-08	
		If the state designates a vendor to provide the Section 305 database does the vendor's database meet the requirements of Sections 305, 306 and 307 and is provided at no cost to the user of the database?	NA			

Section 308	State and local tax rates					
		A1. Does the state have more than one state sales and use tax rate on items of personal property or services?	Yes until 7-1-11		2007 P.C. 602 Sec. 79 & 81. Eft. 1-1-08. 2007 P.C. 602 Sec. 129, 130, 132, 135, 137, 138, 142, 144, 145, 146, 147, 148, 151, 154, 155, 170. Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	Cable TV - exempt s/u tax 67-6-329 & repeal 67-6-226, 67-6-103(f), 67-6-714 (8.25% state rate) & imposed priv tax 67-6-2401 (Sec. 137,138,147,151, 135,170,130); business interstate telecom svcs - repeal 67-6-221 (7.5% state rate) (Sec. 146); water sold to mfrs - granted s/u exemption & repeal 67-6-206 (1% state rate) & imposed user priv tax on mfrs (Sec. 142,129); energy fuels sold to mfrs - granted s/u exemption & repealed 67-6-206 (1.5% state rate) & imposed user priv tax on mfrs (Sec. 142,129); energy fuels sold to nurseries & greenhouses - granted s/u exemption 67-6-207 & repealed 67-6-218 (1.5% state rate) (effective 1-1-08, P.C. 602 Sec. 79 & 81); Satellite tv – exempt s/u tax 67-6-329 & repeal 67-6-227 (8.25% state rate) & impose priv tax 67-4-2402 (Sec. 137,138,148,151, 130); aviation fuel - exempt s/u tax 67-6-386 & repeal 67-6-217 (4.5% state rate) & impose priv tax 67-4-2701 (Sec. 155,144,132); tpp sold to common carriers for export - exempt s/u tax 67-6-385 & repeal 67-6-219 (3.75% state rate) & impose user priv tax 67-4-2305 (Sec. 154,145,129).
		A2. Does the state have a single additional tax rate on food and food ingredients and drugs as defined by state law pursuant to the Agreement?	Yes, Eft. 7-1-11	T.C.A. 67-6-228		Effective 7-1-08 TN adopted amended definition of prepared food. Since 2002 TN has applied a reduced state tax rate to food and food ingredients. Drugs that are not exempt from tax are subject to the general tax state tax rate. Effective 7-1-11 all other state and local sales and use tax rates will be repealed and TN will have a general sales and use tax state rate and a single additional rate on food and food ingredients.
		B1. If the state has local jurisdictions with a sales or use tax, does any local jurisdiction have more than one sales tax rate or one use tax rate?	Yes until 7-1-11	T.C.A. 67-6-702 Eft. 7-1-11	2007 P.C. 602 Sec. 129, 154, 164, 165. Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49. 2008 P.C. 1106 Sec. 21. Eft. 1-1-09	Vending machines sales excluded from tax rate requirements no change in 2.25% local rate 67-6-702(d) (Sec. 164); Energy fuels delivered by the seller excluded from tax rate requirements imposed at .5% local rate 67-6-702(a) & repealed local exemption 67-6-704 (Sec. 164, 165); intrastate telecom svcs - repeal 67-6-702(g)(1)(2.5% local rate)(Sec. 164); residential interstate telecom svcs - repeal 67-6-702(g)(1.5% local rate)(Sec. 164); water sold to mfrs - exempt s/u tax 67-6-206 & repeal 67-6-702(b)(.5% local rate) & impose user priv tax 67-6-2303 (Sec. 129, 142, 164); tpp sold to common carriers for export - exempt s/u tax 67-6-385 & repeal 67-6-702(e)(1.5% local rate)& impose user priv tax 67-6-2305 (Sec. 129,154,164). 2008 P.C. 1106 Sec. 21 provides for uniform local tax rate of 2.5% on specified digital products effective 1-1-09. The special tax rate is repealed effective 7-1-11 and the general local tax rate applicable in each jurisdiction will apply to sales of specified digitial products.
		B2. If the state has local jurisdictions with a sales and use tax are the local sales and use tax rates identical?	Yes	T.C.A. 67-6-203(a) and 67-6-702(a)(1)		

Section 310	General sourcing rules					
		A. Does the state source a retail sale, excluding lease or rental, of a product as follows:	Yes, Eft. 7-1-11	T.C.A. 67-6-901 and 67-6-902	2007 P.C. 602 Sec. 173, 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
	CRIC INTERPRETATION ADOPTED SEPTEMBER 20, 2007	1. If received at business location of seller, then sourced to that location?	Yes, Eft. 7-1-11	T.C.A. 67-6-902(a)(1)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		2. If not received at business location of seller, then sourced to location of receipt?	Yes, Eft. 7-1-11	T.C.A. 67-6-902(a)(2)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		3. If subsections 1 & 2 do not apply, then sourced to address of purchaser in business records of seller that are maintained in ordinary course of seller's business?	Yes, Eft. 7-1-11	T.C.A. 67-6-902(a)(3)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		4. If subsections 1, 2 & 3 do not apply, then sourced to address of purchaser obtained during consummation of sale, including address of purchaser's payment instrument, if no other address is available?	Yes, Eft. 7-1-11	T.C.A. 67-6-902(a)(4)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		5. If subsections 1, 2, 3 & 4 do not apply, including the circumstance in which the seller is without sufficient information to apply the previous rules, then sourced to location from which tangible personal property was shipped, from which digital good or computer software delivered electronically was first available for transmission by seller, or from which service was provided.	Yes, Eft. 7-1-11	T.C.A. 67-6-902(a)(5)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		B. Does the state source a lease or rental of tangible personal property as follows:	Yes, Eft. 7-1-11	T.C.A. 67-6-902(b)	174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		1. If recurring periodic payments, the first periodic payment is sourced the same as a retail sale. Subsequent payments are sourced to the primary property location for each period covered by the payment?	Yes, Eft. 7-1-11	T.C.A. 67-6-902(b)(1)(A)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		2. If no recurring periodic payments, then sourced in accordance with rules of retail sale?	Yes, Eft. 7-1-11	T.C.A. 67-6-902(b)(1)(B)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
	CRIC INTERPRETATION ADOPTED APRIL 18, 2006	C. Does the state source a lease or rental of motor vehicles, trailers, semi-trailers, or aircraft that do not qualify as transportation equipment as follows:	Yes, Eft. 7-1-11	T.C.A. 67-6-902(c)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		1. If recurring periodic payments, then sourced to primary property location?	Yes, Eft. 7-1-11	T.C.A. 67-6-902(c)(1)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	

		2. If no recurring periodic payments, then sourced in accordance with rules of retail sale?	Yes, Eft. 7-1-11	T.C.A. 67-6-902(c)(2)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		D. Does the state source the retail sale, including lease or rental, of transportation equipment in accordance with rules for retail sale?	Yes, Eft. 7-1-11	T.C.A. 67-6-902(d)(1)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		1. Does the state define transportation equipment pursuant to in Section 310, subsection D?	Yes, Eft. 7-1-11	T.C.A. 67-6-902(d)(2)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
Section 310.1	**Election for Origin-Based sourcing**	**Effective January 1, 2010**				
		Has the state elected to source the retail sale of tangible personal property and digital goods on where the order is received?	No			
		Does the state comply with all the provisions of 310.1 B and C?	NA			
Section 311	**General sourcing definitions**					
		For the purposes of Section 310, subsection (A), does the state define the terms "receive" and "receipt" to mean: taking possession of tangible personal property, making first use of services, or taking possession or making first use of digital goods, whichever comes first? Note: The terms "receive" and "receipt" do not include possession by a shipping company on behalf of the purchaser.	Yes, Eft. 7-1-11	T.C.A. 67-6-902(e)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
Section 313	**Direct mail sourcing**					
		A 1. Does the state relieve the seller of the obligation to collect, pay or remit tax upon receipt of the direct mail form?	Yes, Eft. 7-1-11	T.C.A. 67-6-904(a)(1)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		2. Does the state provide that upon receipt of delivery information, the seller shall collect tax according to purchaser's submitted information and in the absence of bad faith, seller is relieved of further liability?	Yes, Eft. 7-1-11	T.C.A. 67-6-904(a)(2)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		B. Does the state require the seller to collect tax pursuant to Section 310 (A)(5) if the purchaser does not have direct pay permit and does not provide Direct Mail Form or delivery information?	Yes, Eft. 7-1-11	T.C.A. 67-6-904(b)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
		C. Does the state provide that if a purchaser provides documentation of direct pay authority, the purchaser is not required to provide a Direct Mail Form or delivery information to the seller?	Yes, Eft. 7-1-11	T.C.A. 67-6-904(c)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-11 by 2009 PC 530 Sec. 35-49.	
Section 313.1	**Origin-based direct mail sourcing**					
		A. Has the state adopted the origin-based direct mail sourcing?	No			

Section 314	Telecom sourcing rule					
		A. Except as required in subsection C below, does the state source telecommunication services sold on a call-by-call basis to each level of taxing jurisdiction where the call originates and terminates in that jurisdiction or each level of taxing jurisdiction where the call either originates or terminates and in which service address is located?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(b)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(a).
		B. Except as required in subsection C below, does the state source telecommunication service to the customer's place of primary use if sold on a basis other than call-by-call basis?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(c)	Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(b). Public Chapter 782 and 602 also adopt provisions for sourcing ancillary services to customer's place of primary use pursuant to the January 1, 2008 requirement.
		C1. Does the state source the sale of mobile telecommunication service, other than air-to-ground radiotelephone service and prepaid calling service, to customer's place of primary use as required under Mobile Telecommunications Sourcing Act?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(d)(1)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(c)(1).
		C2. Does the state source the sale of post-paid calling service to the origination point of the telecommunication signal as first identified by either the seller's telecommunication system or information received by the seller from its service provider, where system used to transport signals is not that of the seller?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(d)(2)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(c)(2).
		C3. Does the state source the sale of prepaid wireless calling service in accordance with Section 310 of the Agreement, including the option of the location associated with the mobile telephone number for prepaid wireless calling service?	Yes, Eft. 7-1-11		2007 P.C. 602 Sec. 68 Eft. 1-1-08 and Sec. 176. Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49. T.C.A. 67-6-905 (c)(3)	Tennessee did not adopt prepaid calling service and prepaid wireless calling service definitions and sourcing in 2004. Prepaid calling cards are defined as tangible personal property and sourced at the time of sale using origin-based sourcing in the same manner as other tangible personal property until 1-1-08. Effective 1-1-08 prepaid calling service and prepaid wireless calling service definitions are adopted and excluded from the definition tangible personal property. Effective 7-1-11 prepaid calling services and prepaid wireless calling services will be sourced using 310 sourcing. See: T.C.A. 67-6-905(c)(3). From 1-1-08 until 7-1-11 prepaid calling services and prepaid wireless calling services are subject to tax at the time of sale using origin-based sourcing.
		C4a. For the sale of private communication service, does the state source a separate charge related to a customer channel termination point to each level of jurisdiction in which such customer channel termination point is located?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(d)(3)(A)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(c)(4)(A).
		C4b. For the sale of private communication service, does the state source to the jurisdiction in which the customer channel termination points are located when all customer termination points are located entirely within one jurisdiction or levels of jurisdictions?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(d)(3)(B)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(c)(4)(B).

		C4c. For the sale of private communication service, does the state source fifty percent in each level of jurisdiction in which the customer channel termination points are located when service for segments of a channel between two customer channel termination points located in different jurisdictions and which segment of channel are separately charged ?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(d)(3)(C)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(c)(4)(C).
		C4d. For the sale of private communication service, does the state source to each jurisdiction based on the percentage determined by dividing the number of customer channel termination points in such jurisdiction by the total number of customer channel termination points when service for segments of a channel located in more than one jurisdiction or levels of jurisdiction and which segments are not separately billed?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(d)(3)(D)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(c)(4)(D).
		D. Does the state source the sale of Internet access service to the customer's place of primary use?	NA	NA	2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49	A retail sale of Internet access is not a taxable service in Tennessee.
		E. Does the state source the sale of an ancillary service to the customer's place of primary use?	Yes, Eft. 7-1-04		2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49	2007 Public Chapter 602 Section 176 provides ancillary service are sourced to place of primary use effective 7/1/11 in T.C.A Section 67-6-905(b).
Section 315	**Telecom sourcing definitions**					
		Does the state define the following terms in sourcing telecommunications:				
		A. Air-to-ground radiotelephone service?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(a)(1)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(d)(1).
		B. Ancillary services?	Yes, Eft. 7-1-04	T.C.A. 67-6-102(4) and 67-6-905(c)	2004 P.C. 782 Sec. 2 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(b).
		C. Call-by-call basis?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(a)(2)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(d)(2).
		D. Communications channel?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(a)(3)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date change to 7-1-11 by 2009 PC 530 Sections 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(d)(3).

		E. Customer?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(a)(4)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date change to 7-1-11 by 2009 PC 530 Sections 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(d)(4).
		F. Customer channel termination point?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(a)(5)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date change to 7-1-11 by 2009 PC 530 Sections 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(d)(5).
		G. End user?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(a)(6)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date change to 7-1-11 by 2009 PC 530 Sections 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(d)(6).
		H. Home service provider?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(a)(7)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date change to 7-1-11 by 2009 PC 530 Sections 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(d)(7).
		I. Mobile telecommunications service?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(a)(8)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date change to 7-1-11 by 2009 PC 530 Sections 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(d)(8).
		J. Place of primary use?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(a)(9)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date change to 7-1-11 by 2009 PC 530 Sections 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(d)(9).
		K. Post-paid calling service?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(a)(10)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date change to 7-1-11 by 2009 PC 530 Sections 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(d)(10).
		L. Prepaid calling service?	Yes, Eft. 1-1-08	T.C.A. 67-6-102(59)	2007 P.C. 602 Sec. 68 Eft. 1-1-08 and Sec. 176. Eft. Date change to 7-1-11 by 2009 PC 530 Sections 35-49. T.C.A. 67-6-905 (c)(3)	2007 Public Chapter 602 Section 176 adds definition to telecommunications sourcing statutes effective 7/1/11 in T.C.A. Section 67-6-905(d)(11).

		M. Prepaid wireless calling service?	Yes, Eft. 1-1-08	T.C.A. 67-6-102(60)	2007 P.C. 602 Sec. 68 Eft. 1-1-08 and Sec. 176. Eft. Date changed to 7-1-11 by 2009 PC 530 Section 35-49. T.C.A. 67-6-905 (c)(3)	2007 Public Chapter 602 Section 176 adds definition to telecommunications sourcing statutes effective 7/1/11 in T.C.A. Section 67-6-905(d)(12).
		N. Private communication service?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(a)(11)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date change to 7-1-11 by 2009 PC 530 Sections 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(d)(13).
		O. Service address?	Yes, Eft. 7-1-04	T.C.A. 67-6-905(a)(12)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. Date change to 7-1-11 by 2009 PC 530 Sections 35-49	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/11 in T.C.A. Section 67-6-905(d)(14).
Section 316	**Enactment of Exemptions**					
		Product-based exemptions. If the state exempts a product that is defined in Part II of the Library of Definitions does the state do so consistent with Part II and Section 327?	Yes, Eft. 1-1-08	T.C.A. 67-6-207(a)(14), 67-6-301 thur 67-6-392	61, 68 product definitions eft. 1-1-08; Sec. 83 - food & food ingredients, 84,85,86, 89,92,93,96. Eft. 1-1-08 2008 P.C. 1106 Sec. 9 Eft. 6-5-08 and Sec. 18-22 Eft. 1 1-09	2008 Public Chapter 1106 Section 9 amends the defintion of durable medical euipment to exclude parts, components, or attachments that are for single patient use effective 6/5/08. 2008 Public Chapter 1106 Section 18 effective 1/1/09 adds definitions for digital audio-visual works, digital audio works, digital books and specified digital products. Section 19, 20, 21 and 22 add statutes imposing tax and provide for exemptions applicable to specified digital products effective 1/1/09.
		Product-based exemptions. Can the state confirm that where the Agreement has a definition for a product that the state exempts, the state does not exempt specific items included within that product definition unless the definition sets out an exclusion for such item.	Yes, Eft. 1-1-08	T.C.A. 67-6-207(a)(14), 67-6-301 thur 67-6-392	2007 P.C. 602 Sec. 61, 68 product definitions eft. 1-1-08; Sec. 83 - food & food ingredients, 84,85,86, 89,92, 93,96. Eft. 1-1-08 2008 P.C. 1106 Sec. 9 Eft. 6-5-08 and Sec. 18-22 Eft. 1-1-09	2008 Public Chapter 1106 Section 9 amends the defintion of durable medical euipment to exclude parts, components, or attachments that are for single patient use effective 6/5/08. 2008 Public Chapter 1106 Section 18 effective 1/1/09 adds definitions for digital audio-visual works, digital audio works, digital books and specified digital products are effective . Section 19, 20, 21 and 22 add statutes imposing tax and provide for exemptions applicable to specified digital products effective 1/1/09.
		Entity and Use-based exemptions. If the state has enacted an entity or use-based exemption for a product that is defined in Part II of the Library of Definitions does the state do so consistent with Part II and Section 327?	Yes, Eft. 1-1-08	T.C.A. 67-6-207(a)(14), 67-6-319, 67-6-348, 67-6-356, 67-6-389, 67-6-390, 67-6-395	2007 P.C. 602 Sec. 79, 82, 84, 93, 96, 98, 99, 100. Eft.1-1-08 2008 P.C. 1106 Secs. 21, 22 Eft. 1/1/09	P.C. 602 Sec. 79 - drugs sold to farmers, Sec. 82 - common carriers , Sec. 84, 93 & 96 - food and food ingredients etc. sold by schools & school support groups & food stamps, Sec. 98 - drugs purchased by veterinarians, Sec. 99 - private communications used in headquarters, Sec. 100 - computer software self fabricated for own use, Eft.1-1-08. 2008 P.C. 1106 Secs. 21, 22 - specified digital products Eft. 1/1/09.
		Use-based exemptions. Can the state confirm that any use-based exemption for an item does not constitute a product-based exemption for a product defined in the Agreement that includes such item?	Yes, Eft. 1-1-08	T.C.A. 67-6-207(a)(14), 67-6-319, 67-6-348, 67-6-356, 67-6-389, 67-6-390, 67-6-395	2007 P.C. 602 Sec. 79, 82, 84, 93, 96, 98, 99, 100. Eft.1-1-08 2008 P.C. 1106 Secs. 21, 22 Eft. 1/1/09	P.C. 602 Sec. 79 - drugs sold to farmers, Sec. 82 - common carriers , Sec. 84, 93 & 96 - food and food ingredients etc. sold by schools & school support groups & food stamps, Sec. 98 - drugs purchased by veterinarians, Sec. 99 - private communications used in headquarters, Sec. 100 - computer software self fabricated for own use, Eft.1-1-08. 2008 P.C. 1106 Secs. 21, 22 - specified digital products Eft. 1/1/09.

Section 317	Administration of exemptions					
		A. Does the state provide for the following in regard to purchasers claiming exemption:				
		1. Seller shall obtain identifying information from purchaser and reason for claiming exemption?	Yes, Eft. 1-1-08	T.C.A. 67-6-409(a)(1)	2007 P.C. 602 Sec. 103. Eft. 1-1-08.	
		2. Purchaser is not required to provide signature, unless paper exemption certificate?	Yes, Eft. 1-1-08	T.C.A. 67-6-409(a)(2)	2007 P.C. 602 Sec. 103. Eft. 1-1-08.	
		3. Seller shall use standard form for claiming exemption electronically?	Yes, Eft. 1-1-08	T.C.A. 67-6-409(a)(2)	2007 P.C. 602 Sec. 103. Eft. 1-1-08.	
		4. Seller shall obtain same information for proof regardless of medium?	Yes, Eft. 1-1-08	T.C.A. 67-6-409(a)(2)	2007 P.C. 602 Sec. 103. Eft. 1-1-08.	
		5. Does the state issue identification numbers to exempt purchasers that must be presented to sellers?	Yes	T.C.A. 67-6-206, 67-6-207, 67-6-219, 67-6-322, and 67-6-389		67-6-206 - industrial machinery; 67-6-207 - farmers, nurserymen, timber harvesters; 67-6-219 - common carriers; 67-6-322 - non-profit entities, 67-6-389 - private communciations for headquarters qaulified entities
		6. Seller shall maintain records of exempt transaction and provide to state when requested?	Yes, Eft. 1-1-08	T.C.A. 67-6-409(a)(4)	2007 P.C. 602 Sec. 103. Eft. 1-1-08.	
	The Governing Board has not defined "does not burden sellers". The burden is on each state to prove that something other than a direct-pay permit or exemption certificate meets this provision.	7. Does the state administer use-based and entity-based exemptions when practicable through a direct pay permit, an exemption certificate, or another means that does not burden sellers.	Yes, Eft. 1-1-08		2007 P.C. 602 Sec. 103. Eft. 1-1-08.	
		8. In the case of drop shipment sales, does the state allow a third party vendor to claim a resale exemption based on an exemption certificate provided by its customer/re-seller or any other acceptable information available to the third party vendor evidencing qualification for a resale exemption, regardless of whether the customer/re-seller is registered to collect and remit sales and use tax in the state where the sale is sourced?	Yes, Eft. 7-1-11		2007 P.C. 602 Sec. 134 Eft. Date changed to 7-1-11 by 2009 PC 530 Sections 35-49.	
		B. Does the state relieve the seller from any tax if it is determined that the purchaser improperly claimed an exemption and hold the purchaser liable for the tax, assuming the exceptions in the section?	Yes, Eft. 1-1-08	T.C.A. 67-6-409(b)(1)	2007 P.C. 602 Sec. 103. Eft. 1-1-08.	
		C. Does the state relieve a seller of the tax otherwise applicable if the seller obtains a fully completed exemption certificate or captures the relevant data elements required under the Agreement within 90 days subsequent to the date of sale?	Yes			
	The answer to this question does not impact certification, but it would provide information to taxpayers.	2. Does the state require purchasers to update exemption certificate information or to reapply with the state to claim certain exemption?	No , except in the case of TN Sales and Use Tax Agricultural Exemption Certificate	T.C.A. 67-6-409(b)(1)	2007 P.C. 602 Sec. 103. Eft. 1-1-08.	67-6-207 (b) farmers, nurseryment and timber harvesters must qualify for and receive a new certificate every 4 years.

		3. Does the state relieve a seller of tax if the seller obtains a blanket exemption certificate for a purchaser with which the seller has a recurring business relationship?	Yes, Eft. 1-1-08	T.C.A. 67-6-409(b)(1)	2007 P.C. 602 Sec. 103. Eft. 1-1-08.	
Section 318	**Uniform tax returns**					
		A. Does the state require the filing of only one tax return for each taxing period for each seller for the state and all local jurisdictions?	Yes, Eft. 7-1-11	T.C.A. 67-6-504(a)	2007 P.C. 602 Sec. 158. Eft. Date changed to 7-1-11 by 2009 PC 530 Sections 35-49.	
		B. Does the state require that returns be filed no sooner than the twentieth day of the month following the month in which the transaction occurred?	Yes	T.C.A. 67-6-504(a) and 67-6-536(d)	2007 P.C. 602 Sec. 113. Eft. 1-1-08	Currently, Tennessee sales and use tax returns are due on the twentieth of month following the reporting period. Effective 1/1/08 T.C.A. 67-6-536(d) provides that tax returns filed by sellers qualifying under Section 318(D) of the Agreement are due on the twentieth of the month following the reporting period.
		C. Does the state allow a Model 1, Model 2, or Model 3 seller to submit its sales and use tax returns in a simplified format that does not include more data fields than permitted by the governing board?	Yes, Eft. 7-1-11	T.C.A. 67-6-536	113. Eft. 1-1-08. 2007 P.C. 602 Sec. 161. Eft. Date changed to 7-1-11 by 2009 PC 530 Sections 35-49.	Currently, Tennessee allows sellers that do not have a location in Tennessee and are Model 1 or 2 sellers the option of filing a return using the Streamlined SER. Effective July 1, 2011 P.C. 602 Sec. 161 provides any seller that is a Model 1 or 2 Seller the option of filing a return using the Streamlined SER.
		D. Does the state allow any seller that is registered under the Agreement, which does not have a legal requirement to register in the member state, and is not a Model 1, 2, or 3 seller, to file a return no more often than once a year unless the seller has accumulated more than $1,000 in state and local taxes?	Yes, Eft. 1-1-08	T.C.A. 67-6-536(d)	2007 P.C. 602 Sec. 113. Eft. 1-1-08	
		1. Does the state provide to the seller the returns required by that state?	Yes			Tennesse currently mails returns each reporting period to registered taxpayers that do not file electronically.
		E. Would the state make available to all sellers a uniform sales and use tax return developed with other states?	Yes			Tennessee will need suffient time to make changes to its computer system and taxpayer accounting systems.
Section 319	**Uniform rules for remittance of funds**					
		A1. Does the state require more than one remittance for each return?	No	T.C.A. 67-6-504	2007 P.C. 602 Sec. 106 Eft. 1-1-08	Until 7-1-11 TN requires taxpayers' file a separate return for each location in this state. Taxpayers' required to file electronically must make a separate electronic remittance for each return. Taxpayers filing paper returns may submitt one check remitting tax for multiple returns.
		A2. If the state requires more than one remittance for each return does it do so only if: (1) seller collects more than $30,000 in sales and use taxes in state during preceding year, (2) any additional remittance to be determined through a calculation method, and (3) the seller is not required to file additional return?	NA	T.C.A. 67-6-504	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
		C. Does the state allow payment to be made by both ACH Credit & ACH Debit?	Yes	T.C.A. 67-6-536(c)	2007 P.C. 602 Sec. 113 Eft. 1-1-08	
		D. Does the state provide an alternative method for "same day" payment if electronic fund transfer fails (electronic check or Fed Wire)?	Yes	T.C.A. 67-6-536(c)	2007 P.C. 602 Sec. 113 Eft. 1-1-08	
		E. Does the state provide that if a due date falls on a legal banking holiday in the state, the taxes are due on the next business day?	Yes	T.C.A. 4-1-402		Tennessee also does this administratively under the statutory powers granted the commissioner to administer the assessment and collection.

		F. Does the state require that any data that accompanies a remittance to be formatted using uniform tax type and payment type codes?	Yes	T.C.A. 67-6-403		Tennessee has broad authority to adopt forms in current law.
Section 320	**Uniform rules for recovery of bad debts**					
		A. Does the state allow a seller to take a deduction from taxable sales for bad debts?	Yes	T.C.A. 67-6-507(e)(1)(2) &(3)	2007 P.C. 2007 602 Sec. 107 Eft. 1-1-08	
		B. Does the state use the definition of bad debt found in 26 U.S.C. Sec. 166 as basis for calculating a bad debt recovery, excluding: financing charges or interest; sales or use taxes charged on purchase price; uncollectible amounts on property that remains in possession of seller until full price paid; expenses incurred in attempt to collect debt, and repossessed property?	Yes	T.C.A. 67-6-507(e)(2)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
		C1. Does the state allow bad debts to be deducted on the return for the period during which the bad debt is written off as uncollectible on and is eligible be deducted for federal income tax purposes?	Yes	T.C.A. 67-6-507(e)(3)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
		C2. If the seller is not required to file a federal income tax return does the state allow bad debts to be deducted on the return for the period during which the bad debt is written off as uncollectible on and would be eligible be deducted for federal income tax purposes if the seller was required to file a federal return?	Yes	T.C.A. 67-6-507(e)(3)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
		D. Does the state require that, if a deduction is taken for a bad debt and the debt is subsequently collected in whole or in part, the tax on the amount so collected must be paid and reported on the return files for the period in which the collection is made?	Yes	T.C.A. 67-6-507(e)(4)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
		E. Does the state provide that, when the amount of a bad debt exceeds taxable sales for period when written off, a refund claim may be filed within the applicable statute of limitations (measured from due date of return on which bad debt could first be claimed)?	Yes	T.C.A. 67-6-507(e)(5)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
		F. Does the state provide that if filing responsibilities are assumed by a CSP, the state allows the CSP to claim, on behalf of the seller, any bad debt allowance?	Yes	T.C.A. 67-1-1802(d) and 67-6-507(e)(6)	2007 P.C. 602 Sec. 56, 107. Eft. 1-1-08	
		G. Does the state provide that, for purposes of reporting payment on previously claimed bad debt, any payments made are applied first proportionately to taxable price of property or service and sales tax thereon, and secondly to interest, service charges, and any other charges?	Yes	T.C.A. 67-6-507(e)(7)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	
		H. Does the state permit allocation of a bad debt among states if the books and records of a the party support allocation among states?	Yes	T.C.A. 67-6-507(e)(8)	2007 P.C. 602 Sec. 107 Eft. 1-1-08	

Section 321	Confidentiality and privacy protections under Model 1					
		E. Does the state provide public notification to consumers, including exempt purchasers, of state's practices relating to collection, use and retention of personally identifiable information?	Yes	T.C.A. 67-1-1701 et seq. and 67-1-110(c)(6)	P.C. 602 sec. 54	Tennessee publishes on its website list of confidentiality and privacy rights and protections under Tennessee law.
		F. Does the state provide that when any personally identifiable information is no longer required for purposes in Section 321 subsection (D)(4), such information shall no longer be retained by state?	Yes	T.C.A. 67-1-1701 et seq.		
		G. Does the state provide that when personally identifiable information regarding an individual is retained by or on behalf of state, the state shall provide reasonable access to information by such individual and a right to correct inaccurate information?	Yes	T.C.A. 67-1-1701 et seq.		
		H. Does the state provide that if anyone other than a member state or person authorized by state law or the Agreement seeks to discover personally identifiable information, state makes reasonable and timely effort to notify the individual of the request?	No	T.C.A. 67-1-1701 et seq.		State law does not authorize release of personally identifiable information under broad confidentiality protections and provides severe penalties in case of a violation. Nothing in Tennessee law prevents the department from notifying an individual that another person discovered or attempted to discover personally identifiable information about the individual that was in violation of Tennessee statutes.
		I. Is the state's privacy policy subject to enforcement by state's AG or other appropriate government authority?	Yes	T.C.A. 8-6-301		Confidentiality provisions are enfored by state's attorney general.
Section 322	**Sales tax holidays**					
		A. Does the state have sales tax holidays?	Yes	T.C.A 67-6-393		Tennessee sales tax holiday for 2009 is the first Friday August 7 through Sunday August 9 in August 2009.
		1. If a state has a holiday, does the state limit the holiday exemption to items that are specifically defined in the Agreement and apply the exemptions uniformly to state and local sales and use taxes?	Yes	T.C.A. 67-6-393 & definitions T.C.A. 67-6-102		Applies to clothing ($100 or less per item), school supplies ($100 or less per item), and computers ($1,500 or less per item) and in August 2007 school art supplies ($100 or less per item) was added.
		2. If a state has a holiday, does the state provide notice of the holiday at least 60 days prior to first day of calendar quarter in which the holiday will begin?	Yes	T.C.A. 67-6-393		
		3. If a state has a holiday, does the state apply an entity or use based exemption to items?	No	T.C.A. 67-6-393(b)(8)		
		3. If a state has a holiday, does the state limit a product based exemption to items purchased for personal or non-business use?	Yes	T.C.A. 67-6-393(b)(8)		TN sales tax holiday items are limited to non-business use.
		4. If a state has a holiday, does the state require a seller to obtain an exemption certificate or other certification from a purchaser for items to be exempted during a sales tax holiday?	No			
		B1. If a state's holiday includes a price threshold, does the state provide that the threshold includes only items priced below threshold?	Yes	T.C.A. 67-6-393(a)(1-4)		Applies to clothing ($100 or less per item), school supplies ($100 or less per item), and computers ($1,500 or less per item) and in August 2007 school art supplies ($100 or less per item) was added.

		B2. If a state's holiday includes a price threshold, does the state exempt only a portion of the price of an individual item during holiday?	No	T.C.A. 67-6-393(a)(1-4)		
		C. Does the state meet each of the procedural requirements for holidays?	Yes			
		1. Layaway sales?	Yes	T.C.A. 67-6-393(d)(1)		
		2. Bundled sales?	Yes, Eft. 7-1-11		P.C. 602 Sec. 133, 162 Eft. Date changed to 7-01-11 by 2009 PC 530 Sections 35-49.	Effective July 1, 2011 Tennessee has adopted the definition of a bundled transaction and provisions for tax treatment of a bundled transaction. From January 1, 2008 until July 1, 2011 provisions of the sales price definition apply for exempt personal property bundled with taxable personal property.
		3. Coupons and discounts?	Yes	T.C.A. 67-6-393(d)(2)		
		4. Splitting of items normally sold together?	Yes	T.C.A. 67-6-393(d)(3)		
		5. Rain checks?	Yes	T.C.A. 67-6-393(d)(4)		
		6. Exchanges?	Yes	T.C.A. 67-6-393(d)(5)		
		7. Delivery charges?	Yes	T.C.A. 67-6-393(d)(6)		
		8. Order date and back orders?	Yes	T.C.A. 67-6-393(d)(7)		
		9. Returns?	Yes	T.C.A. 67-6-393(d)(8)		
		10. Different time zones?	Yes	T.C.A. 67-6-393(d)(9)		
Section 323	**Caps and thresholds**					
		1. Does the state have any caps or thresholds on the application of rates or exemptions based on the value of a transaction or item?	Yes, until 7-1-11		2007 P.C. 602 Sec. 58,59, 93. Eft. 1-1-08 P.C. 602 Sec. 130, 135, 151, 170, 164 Eft. Date changed to 7-01-11 by 2009 PC 530 Sections 35-49. 2008 P.C. 1106 Sec. 2 Eft. 7-1-08	Eft. 7-1-08 P.C. 1106 Sec. 2 repealed Amusement tax threshold for exemption of first $150 annual dues for memberships to rec clubs & community svcs org. Repealed with repeal of T.C.A. 67-6-330(a)(3). Secs. 130, 135, 151, 170 - Cable Tv thresholds repealed. granted s/u tax exemption and imposed priv. tax 67-4-2401. Sec. 164 - State tax on single articles repealed effective 7-1-11 except on motor vehicles, air craft, watercraft, manuf. and modualr homes sold unafixed to real property. Sec. 164 - Local tax limitation on singles articles applies only to motor vehicles, aircraft, watercraft, manuf. and modular homes sold unafixed to real property as a result of amendment to the definition of single article.
		2. Does the state have any caps that are based on application of rates unless the application of rates are administered in a manner that places no additional burden on retailer?	NA			Tennessee sales and use tax statutes do not contain caps on overall tax rates.
		B. Do local jurisdictions within the state that levy sales or use tax have caps or thresholds on application of rates or exemptions that are based on value of transaction or item?	Yes, Eft. 7-1-11	T.C.A. 67-6-702(a) & (b)	See # 1 Above Eft. Date changed to 7-1-11 by 2009 PC 530 Sections 35-49.	
		D. Does the state have cap or threshold on the value of essential clothing?	No			

Section 324	**Rounding rule**					
		1. Does the state provide that the tax computation must be carried to the third decimal place?	Yes, Eft. 1-1-08	T.C.A. 67-6-504(h)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
		2. Does the state provide that the tax must be rounded to a whole cent using a method that rounds up to next cent whenever third decimal place is greater than four after?	Yes, Eft. 1-1-08	T.C.A. 67-6-504(h)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
		B.1. Does the state allow sellers to elect to compute tax due on a transaction, on a item or invoice basis, and shall allow rounding rule to be applied to aggregated state and local taxes?	Yes, Eft. 1-1-08	T.C.A. 67-6-504(h) & (i)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
		B.2. Can the state confirm that it has repealed any requirements for sellers to collect tax on bracket system?	Yes, Eft. 1-1-08	T.C.A. 67-6-504(i)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
Section 325	**Customer refund procedures**					
		C. Does the state provide that a cause of action against seller does not accrue until the purchaser has provided written notice to the seller and the seller has had 60 days to respond? Notice must contain information necessary to determine validity of request.	Yes, Eft. 1-1-08	T.C.A. 67-6-538(d)	2007 P.C. 602 Sec. 115 Eft. 1-1-08	
		D. Does the state provide for uniform language in regard to presumption of a reasonable business practice when a seller: I) uses either a provider or a system, including a proprietary system, that is certified by the state; and ii) has remitted to state all taxes collected, less deductions, credits or collection allowances?	Yes, Eft. 1-1-08	T.C.A. 67-6-538(e)	2007 P.C. 602 Sec. 115 Eft. 1-1-08	
Section 326	**Direct pay permits**					
		Does the state provide for a direct pay authority that allows the holder of a direct pay permit to purchase otherwise taxable goods and services without payment of tax to the supplier at the time of purchase?	Yes	Tenn. Comp. Rules & Reg. 1320-5-1-.68(4) T.C.A. 67-6-102(29)-(30)		
Section 327	**Library of definitions**					
		A. If term defined in Library appears in state's statutes, rules or regulations, has the state adopted the definition in substantially the same language as the Library definition?	Yes, Eft. 1-1-08 except for bundled transaction which is effective 7-01-11	T.C.A. 67-6-102 et seq. & 67-6-905(a)(1-12)	P.C. 602 Sec. 60, 61 62,64,65,66,68 for definitions & Sec. 71,74,79,80, 83-86,89,92,93, 95,96,98,99, & 100 for use of definitions. Eft. 1-1-08. P.C. 602 Sec. 133. Eft. Date changed to 7-1-11 by 2009 PC 530 Sections 35-49 2008 P.C. 1106 Sec. 9 Eft. 6-05-08 & Sec. 18 Eft. 1-1-09.	P.C. 602 Sec. 133 and 162 Eft. 7-1-11 for definition of bundled transaction. 2008 P.C. 1106 Sec. 9 for definition of durable medical equipment effective 6-05-08. 2008 P.C. 1106 Sec. 18 for definitions of specified digital products effective 1-1-09.

		B. Can the state confirm that it does not use a Library definition that is contrary to meaning of Library definition?	Yes, Eft. 1-1-08 except for bundled transaction which is effective 7-01-11	T.C.A. 67-6-102 et seq. & 67-6-905(a)(1-12)	P.C. 602 Sec. 60, 61 62,64,65,66,68 for definitions & Sec. 71,74,79,80, 83-86,89,92,93, 95,96,98,99, & 100 for use of definitions. Eft. 1-1-08. P.C. 602 Sec. 133. Eft. Date changed to 7-1-11 by 2009 PC 530 Sections 35-49. 2008 P.C. 1106 Sec. 9 Eft. 6-05-08 & Sec. 18 Eft. 1-1-09.	P.C. 602 Sec. 133 and 162 Eft. 7-1-11 for definition of bundled transaction. 2008 P.C. 1106 Sec. 9 for definition of durable medical equipment effective 6-05-08. 2008 P.C. 1106 Sec. 18 for definitions of specified digital products effective 1-1-09.
	CRIC INTERPRETATION ADOPTED AUGUST 29, 2006	C. Except as provided in Section 316 and 332 and Library, can the state confirm that it imposes tax on all products and services included within each definition or exempt from tax all products or services within each definition?	Yes, Eft. 1-1-08		2007 P.C. 602 Sec. 68, 83, 89, 92, 93. Eft. 1-1-08	School lunch exemption now uses SST prepared food definition. P.C. 602 Sec. 93, 67-6-329. Durable medical equipment, mobility enhancing equipment and prosthetic devices now used instead of canes, wheel chairs, crutches, walkers, ics, artificial limbs, etc. P.C. 602 Sec. 89, 67-6-314. SST definition now used for alcoholic beverages. P.C. 602 Sec. 83, 67-6-228(b). Prepared food definition now conformed to SST definition, P.C. 602 Sec. 68, 67-6-228. Exemption for disposable medical supplies for oxygen administration and disposable ostomy supplies for human use conform to use of other medical definitions P.C. 602 Sec. 89, 67-6-314. Over-the-counter drugs and grooming and hygiene products used in the exemption for drugs that are prescribed P.C. 602 Sec. 92
Section 328	**Taxability matrix**					
		A1. Has the state completed the taxability matrix in the downloadable format approved by Governing Board?	Yes			
		A2. Does the state provide notice of changes in the taxability matrix as required by the Governing Board?	Yes			Tennessee has posted each taxablity matrix completed to its web site. Tennessee sends notices to taxpayers and post such notices and other tax information to the web site regarding changes.
		B. Does the state relieve sellers and CSPs from liability to the state and its local jurisdictions for having charged and collected incorrect tax resulting from erroneous data in the matrix?	Yes, Eft. 1-1-08	T.C.A. 67-6-537(d)	2007 P.C. 602 Sec. 114. Eft. 1-1-08	
		C. If the state taxes specified digital products, has the state noted such in the taxability matrix?	Yes			Taxability Matrix filed 8-01-08. Adoption of specified digital products effective 1-1-09.
		D. If the state has a sales tax holiday, has the state noted the exemption in the taxability matrix?	Yes			Taxability Matrix filed 8-01-09.
Section 329	**Effective date for rate changes**					
		Does the state provide that the effective date of rate changes for services covering a period starting before or ending after the statutory effective date is as follows:	Yes			Tennessee does this administratively under the statutory powers granted the commissioner to administer the assessment and collection of taxes, and will publish policy to this effect.
		1. For a rate increase, the new rate shall apply to the first billing period starting on or after the effective date?	Yes	See Above		See Above

		2. For a rate decrease, new rate shall apply to bills rendered on or after the effective date?	Yes	See Above		See Above
Section 330	**Bundled Transactions**					
		A. Has the state adopted and does the state utilize the core definition of "bundled transaction" to determine tax treatment?	Yes, Eft. 7-01-11	T.C.A. 67-6-102(5) Eft. 7-1-11	2007 P.C. 602 Secs. 133, 162. Eft. Date changed to 7-1-11 by 2009 PC 530 Sections 35-49.	
		C. Can the state confirm that for bundled transactions that include telecommunication service, ancillary service, internet access, or audio or video programming service the following rules apply:				
		1.For transactions that include both taxable and nontaxable items, the price attributable to nontaxable items is exempt if the provider can identify the price by reasonable and verifiable standards from its books and records.	Yes	T.C.A 67-6-539(b)(1)	2004 P.C. 782 Sec. 12. Eft. 7-1-04. 2007 P.C. 602 Sec. 162 Eft. Date changed to 7-1-11 by 2009 PC 530 Sections 35-49.	2007 P.C. 602 Sec. 162 rewrote language in conjunction with the effective date of the bundled transaction 7-1-11.
		2. For transactions that include products subject to different tax rates, the total price may be treated as attributable to the products subject to tax at the highest tax rate unless the provider can identify by reasonable and verifiable standards the portion of the price attributable to the products subject to tax at the lower rate from its books and records that are kept in the regular course of business for other purposes, including, but not limited to, non-tax purposes?	Yes	T.C.A. 67-6-539(b)(2)	2004 P.C. 782 Sec. 12. Eft. 7-1-04. 2007 P.C. 602 Sec. 162 Eft. Date changed to 7-1-11 by 2009 PC 530 Sections 35-49.	2007 P.C. 602 Sec. 162 rewrote language in conjunction with the effective date of the bundled transaction 7-1-11.
		D. If the state otherwise has not specifically imposed tax on the retail sales of computer software maintenance contracts, does the state treat software maintenance contracts as provided in this section?	Yes, Eft. 7-1-09	T.C.A. 67-6-102 and 67-6-231(b)	2009 P.C. 530 Sec. 50-52 Eft. 7-1-09	
Section 331	**Relief from certain liability for purchasers**					
		A. Does the state provide relief for purchasers from liability for penalty to that state and its local jurisdictions for having failed to pay the correct amount of sales or use tax in the following circumstances:				
		1. A purchaser's seller or CSP relied on erroneous data provided by the state on tax rates, boundaries, taxing jurisdiction assignments, or in the taxability matrix completed by the state pursuant to Section 328?	Yes, Eft. 1-1-08	T.C.A. 67-6-533(a)(c) and 67-6-537(d)	2007 P.C. 602 Sec. 114. Eft. 1-1-08	
		2. A purchaser holding a direct pay permit relied on erroneous data provided by the state on tax rates, boundaries, taxing jurisdiction assignments, or in the taxability matrix completed by the state pursuant to Section 328?	Yes, Eft. 1-1-08	T.C.A. 67-6-533(a)(c) and 67-6-537(d)	2007 P.C. 602 Secs. 110 & 114. Eft. 1-1-08	
		3. A purchaser relied on erroneous data provided by the state in the taxability matrix completed by the state pursuant to Section 328?	Yes, Eft. 1-1-08	T.C .A. 67-6-537(d)	2007 P.C. 602 Sec. 114. Eft. 1-1-08	

		4. A purchaser using databases pursuant to subsections (F), (G), and (H) of Section 305 relied on erroneous data provided by the state on tax rates, boundaries, or taxing jurisdiction assignments?	Yes, Eft. 1-1-08	T.C.A. 67-6-533(b)(c)	2007 P.C. 602 Sec. 110. Eft. 1-1-08	
		B. (Except where prohibited by a member state's constitution) Does the state relieve a purchaser from liability for tax and interest to the state and its local jurisdictions for having failed to pay the correct amount of sales or use tax in the circumstances described in Section 331 A, provided that, with respect to reliance on the taxability matrix completed by the state pursuant to Section 328, such relief is limited to the state's erroneous classification in the taxability matrix of terms included in the Library of Definitions as "taxable" or "exempt", "included in sales price" or "excluded from sales price" or "included in the definition" or "excluded from the definition".	Yes, Eft. 1-1-08	T.C.A. 67-6-537(d)	2007 P.C. 602 Sec. 114. Eft. 1-1-08	
Section 332	**Specified Digital Products**					
		A. Does the state include specified digital products, digital audio-visual works, digital audio works, or digital books in its definition of ancillary services, computer software, telecommunication services or tangible personal property?	No Eft. 1-1-09	T.C.A. 67-6-233	2008 P.C. 1106 Sec. 18, 19. Eft. 1-1-09	
		D1. Is the state's tax on specified digital products, digital audio-visual works, digital audio works, or digital books construed to apply only to the end user unless specifically imposed on someone other than the end user?	Yes, Eft. 1-1-09	T.C.A. 67-6-233(f)	2008 P.C. 1106 Sec. 18, 19. Eft. 1-1-09	
		D2. Is the state's tax on specified digital products, digital audio-visual works, digital audio works, or digital books construed to apply only on a sale with the right of permanent use unless specifically imposed on a sale with less than permanent use?	Yes, Eft. 1-1-09	T.C.A. 67-6-233(b)(1)	2008 P.C. 1106 Sec. 18, 19. Eft. 1-1-09	
		D3. Is the state's tax on specified digital products, digital audio-visual works, digital audio works, or digital books construed to apply only on a sale which is not conditioned upon continued payment from the purchaser unless specifically imposed on a sale which is conditioned upon continued payment from the purchaser?	Yes, Eft. 1-1-09	T.C.A. 67-6-233(b)(2)	2008 P.C. 1106 Sec. 18, 19. Eft. 1-1-09	
		D4. Does the state's taxability matrix indicate if the state's tax is imposed on a product transferred electronically to a person other than the end user or on a sale with the right of less then permanent use granted by the seller or which is conditioned upon continued upon continued payment from the purchaser?	Yes, Eft. 1-1-09	T.C.A. 67-6-233(f)	2008 P.C. 1106 Sec. 18, 19. Eft. 1-1-09	
		G. Is the state's tax treatment of the sale of a digital code the same as the tax treatment of specified digital product to which the digital code relates?	Yes, Eft. 1-1-09	T.C.A. 67-6-233(c)	2008 P.C. 1106 Sec. 18, 19. Eft. 1-1-09	

Section 333	Use of Specified Digital Products	Effective January 1, 2010				
		Does the state inlcude any product transferred electronically in its definition of tangible personal property?	No, Eft. 1-1-09	T.C.A. 67-6-202, 67-6-203, 67-6-205(b)(3) &(9), and 67-6-231	2008 P.C. 1106 Sec. 18, 19. Eft. 1-1-09	
Section 334	**Prohibited replacement taxes**					
		Does the state have any prohibited replacement taxes?	No			
Section 401	**Seller participation**					
		A. Does the state participate in the Governing Board's online registration system?	Yes, Eft. 10-01-05	T.C.A. 67-6-608	2007 P.C. 602 Sec. 117 Eft. 1-1-08	Since Tennessee became an associate member state, it has particpated in the Streamlined Central Registration System pursuant to actions of the commissioner authorized by T.C.A. 67-6-805(a)
		B. Does the state provide that it will not use a seller's registration with the central registration system and collection of taxes in member states in determining whether seller has nexus with state for tax at any time?	Yes, Eft. 10-01-05	T.C.A. 67-6-608(c)	2007 P.C. 602 Sec. 117 Eft. 1-1-08	Since Tennessee became an associate member state, it has particpated in the Streamlined Central Registration System pursuant to actions of the commissioner authorized by T.C.A. 67-6-805(a)
Section 402	**Amnesty for registration**					
	CRIC INTERPRETATION ADOPTED DECEMBER 14, 2006	A1. Does the state provide amnesty to a seller who registers to pay or collect and remit applicable tax in accordance with Agreement, provided the seller was not so registered in state in 12-month period preceding effective date of state's participation in the Agreement?	Yes	T.C.A. 67-6-537(a-c)	2005 P.C. 499 Sec. 65 Eft. 6-22-05. 2007 P.C. 602 Sec. 114. Eft. 1-1-08	2007 P.C. 602 Sec. 114 repeals and replaces language in T.C.A. 67-6-537 (a-c) that was effective 6-22-05 with the same language effective 1-1-08.
		A2. Does the state provide that their amnesty will preclude assessment for tax together with penalty and interest for sales made during the period the seller was not registered in the state, provided registration occurs within 12 months of effective date of state's participation in the Agreement?	Yes	T.C.A. 67-6-537(b)	2005 P.C. 499 Sec. 65 Eft. 6-22-05. 2007 P.C. 602 Sec. 114. Eft. 1-1-08	
		A3. Does the state provide amnesty to sellers registered prior to when the state joins the Agreement?	No	T.C.A. 67-6-537(a)(1)	2005 P.C. 499 Sec. 65 Eft. 6-22-05. 2007 P.C. 602 Sec. 114. Eft. 1-1-08	Amnesty is available to sellers that elect to register in Tennessee through the Streamlined registration system only after Tennessee became an Associate Member State 10-01-05.
	CRIC INTERPRETATION ADOPTED APRIL 18, 2006	B. Does the state provide that its amnesty is not available to a seller who has received a notice of audit from that state and the audit is not yet resolved, including any related administrative and judicial processes?	Yes	T.C.A. 67-6-537(a)(3)	2005 P.C. 499 Sec. 65 Eft. 6-22-05. 2007 P.C. 602 Sec. 114. Eft. 1-1-08	
	CRIC INTERPRETATION ADOPTED APRIL 18, 2006	C. Does the state provide that its amnesty does not apply to taxes already paid to the state or to taxes already collected by a seller?	Yes	T.C.A. 67-6-537(c)(1)	2005 P.C. 499 Sec. 65 Eft. 6-22-05. 2007 P.C. 602 Sec. 114. Eft. 1-1-08	
	CRIC INTERPRETATIONS ADOPTED AUGUST 29, 2006 & DECEMBER 14, 2006	D. Does the state provide that its amnesty is fully effective, absent fraud or misrepresentation of material fact, as long as the seller continues registration and continues payment of taxes for period of at least 36 months? Did the state toll its statute applicable to asserting a tax liability during 36 month period?	Yes	T.C.A. 67-6-537(C)(3) & (4)	2005 P.C. 499 Sec. 65 Eft. 6-22-05. 2007 P.C. 602 Sec. 114. Eft. 1-1-08	

		E. Does the state provide that its amnesty is applicable only to taxes due from a seller in its capacity as seller and not in its capacity as a buyer?	Yes	T.C.A. 67-6-537(a)(1) and (c)(1)	2005 P.C. 499 Sec. 65 Eft. 6-22-05. 2007 P.C. 602 Sec. 114. Eft. 1-1-08	
Section 403	**Method of remittance**					
		Does the state provide that the seller may select one of the technology models?	Yes, Eft. 1-1-08	T.C.A. 67-6-504(j)(1)	2007 P.C. 602 Sec. 68, 106 Eft. 1-1-08	
		A. Model 1-seller selects CSP as agent to perform all functions except remit tax on its own purchases?	Yes, Eft. 1-1-08	T.C.A. 67-6-504(j)(1)	2007 P.C. 602 Sec. 68, 106 Eft. 1-1-08	T.C.A 67-6-102(52) definition of Model 1 Seller eft. 6-27-06.
		B. Model 2-seller selects CAS which calculates amount of tax due?	Yes, Eft. 1-1-08	T.C.A. 67-6-504(j)(3)	2007 P.C. 602 Sec. 68, 106 Eft. 1-1-08	T.C.A. 67-6-102(53) definition of Model 2 Seller eft. 1-1-08.
		C. Model 3-seller utilizes own proprietary system that has been certified as a CAS?	Yes, Eft. 1-1-08		2007 P.C. 602 Sec. 68 Eft. 1-1-08	T.C.A. 67-6-102(54) definition of Model 3 Seller eft. 1-1-08.
Section 404	**Registration by an agent**					
		Does the state provide that the seller may be registered by an agent?	Yes	T.C.A. 67-6-102(9) for definition of certified service provider effective 6-27-06. T.C.A. 67-6-608(a)	2007 P.C. 602 Sec. 117 eft. 1-1-08	
	This isn't a compliance issue but is something sellers and their agents should know.	Does the state require that the written agent appointments be submitted to the state?	No			
Section 501	**Provider and System Certification**					
		A. Does state law provide for provider and system certification to aid in the administration of sales and use tax collection?	Yes, Eft. 1-1-08	T.C.A. 67-6-102(9) for definition of certified service provider eft. 6-27-06. T.C.A. 67-6-504(j-l)	2007 P.C. 602 Sec. 68, 106 Eft. 1-1-08	
Section 502	**State review and approval of Certified Automated System Software and Certain Liability Relief**					
		A. Can the state confirm that it reviews software submitted for certification as a CAS under Section 501?	Yes	T.C.A. 67-6-102(8) and 67-6-504(j)(3)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
		B. Does the state provide liability relief to CSP's and model 2 sellers for reliance on the certification?	Yes, Eft. 1-1-08	T.C.A. 67-6-504(j)(2)(A) and 67-6-504(j)(3)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
		C. Does the state provide liability relief to CSP's in the same manner as provided to sellers under Section 317?	Yes	T.C.A. 67-6-533(a) and 67-6-537(d)	2007 P.C. 602 Sec. 110, 114. Eft. 1-1-08	
		E. Does the state allow the CSP or model 2 seller 10 days to correct classification of items found to be in error before holding the CSP or model 2 seller liable?	Yes, Eft. 1-1-08.	T.C.A. 67-6-504(j)(2)(A)(B)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	

Section 601	**Monetary allowance under Model 1**					
		A. Does the state provide a monetary allowance to a CSP in Model 1 in accordance with the terms of the contract between the governing board and the CSP?	Yes, Eft. 6-22-05	T.C.A. 67-6-509(d)	2005 P.C. 499 Sec. 67 Eft. 6-22-05. 2006 P.C. Sec. 67 Eft. 6-27-06. T.C.A. 67-6-542. 2007 P.C. 602 Sec. 108. Eft. 1-1-08. T.C.A. 67-6-509(c-e) P.C. 602 Sec. 109 Eft. 1-1-08 repeals T.C.A. 67-6-542.	
Section 602	**Monetary allowance for Model 2 sellers**					
		Does the state provide monetary allowance to Model 2 sellers pursuant to the Governing Board's rules?	Yes, Eft. 6-22-05	T.C.A. 67-6-509(d)	2005 P.C. 499 Sec. 67 Eft. 6-22-05. 2006 P.C. Sec. 67 Eft. 6-27-06. T.C.A. 67-6-542. 2007 P.C. 602 Sec. 108. Eft. 1-1-08. T.C.A. 67-6-509(c-e) P.C. 602 Sec. 109 Eft. 1-1-08 repeals T.C.A. 67-6-542.	
Section 603	**Monetary allowance for Model 3 sellers and all other sellers that are not under Models 1 or 2**					
		A. Does state law provide for a percentage of revenue monetary allowance for a period not to exceed 24 months for a voluntary Model 3 seller's registration and all other sellers that are not using Models 1, 2, or 3?	Yes, Eft. 6-22-05	T.C.A. 67-6-509(d)(e)	2005 P.C. 499 Sec. 67 Eft. 6-22-05. 2006 P.C. Sec. 67 Eft. 6-27-06. T.C.A. 67-6-542. 2007 P.C. 602 Sec. 108. Eft. 1-1-08. T.C.A. 67-6-509(c-e) P.C. 602 Sec. 109 Eft. 1-1-08 repeals T.C.A. 67-6-542.	
Section 604		**Effective January 1, 2010**				
		Does the state provide reasonable compensation for the incremental expenses in establishing or maintaining a uniform origin system for administering, collection and remitting sales and use taxes on origin-based sales?	NA			

		APPENDIX C - LIBRARY OF DEFINITIONS				
		Please verify for each item that the state uses the definition provided by the Agreement. If the item is not applicable in your state, answer "N/A."				
Part I	Administrative definitions					
		Bundled transaction	Yes, Eft. 7-1-11		2007 P.C. 602 Sec. 133 Eft. Date changed to 7-1-11 by 2009 PC 530 Sections 35-49.	
		Delivery charges	Yes, Eft. 1-1-08	T.C.A. 67-6-102(23)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	
	CRIC INTERPRETATION ADOPTED DECEMBER 14, 2006 AND SEPTEMBER 5, 2008	Direct mail	Yes, Eft. 1-1-08	T.C.A. 67-6-102(28)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	
		Lease or rental	Yes, Eft. 1-1-08	T.C.A. 67-6-102(47)	2007 P.C. 602 Sec. 60 Eft. 1-1-08	
		Purchase price	Yes, Eft. 1-1-08	T.C.A. 67-6-102(67)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	
		Retail sale or Sale at retail	Yes, Eft. 1-1-08	T.C.A. 67-6-102(71)	2007 P.C. 602 Sec. 62 Eft. 1-1-08	
		Sales price	Yes, Eft. 1-1-08	T.C.A. 67-6-102(74)	2007 P.C. 602 Sec. 64 Eft. 1-1-08	
		Telecommunications nonrecurring charges	NA			
	CRIC INTERPRETATION ADOPTED MAY 12, 2009	Tangible personal property	Yes, Eft. 1-1-08	T.C.A. 67-6-102(84)	2007 P.C. 602 Sec. 66 Eft. 1-1-08	
Part II	Product definitions	CLOTHING				
		Clothing	Yes, Eft. 7--1-06	T.C.A. 67-6-102(10)	2006 P.C. 398 Sec. 2 Eft. 7-1-06	Public Chapter 398 enacts Tennessee's first Sales Tax Holiday effective 7/1/06 in T.C.A. 67-6-393. Agreement holiday definitions and clothing definitions were adopted effective 7/1/06 in T.C.A. 67-6-102 or 67-6-393.
		Clothing accessories or equipment	Yes, Eft. 7--1-06	T.C.A. 67-6-102(11)	2006 P.C. 398 Sec. 2 Eft. 7-1-06	
		Essential clothing	NA			
	CRIC INTERPRETATION ADOPTED AUGUST 29, 2006	Fur clothing	NA			
		Protective equipment	Yes, Eft. 7--1-06	T.C.A. 67-6-102(66)	2006 P.C. 398 Sec. 2 Eft. 7-1-06	
		Sport or recreational equipment	Yes, Eft. 7--1-06	T.C.A. 67-6-102(82)	2006 P.C. 398 Sec. 2 Eft. 7-1-06	
		COMPUTER RELATED				
		Computer	Yes, Eft. 1-1-08	T.C.A. 67-6-102(16)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	
	CRIC INTERPRETATION ADOPTED MAY 12, 2009	Computer software	Yes, Eft. 1-1-08	T.C.A. 67-6-102(17)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	
		Delivered electronically	Yes, Eft. 1-1-08	T.C.A. 67-6-102(22)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	
		Electronic	Yes, Eft. 7-1-04	T.C.A. 67-6-102(33)	2004 P.C. 782 Sec. 3 Eft. 7-1-04	
		Load and leave	NA			
	CRIC INTERPRETATION ADOPTED MAY 12, 2009	Prewritten computer software	Yes, Eft. 1-1-08	T.C.A. 67-6-102(63)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	

		Computer software maintenance contract	Yes, Eft. 7-1-09	T.C.A. 67-6-102 and 67-6-231(b)	2009 P.C. 530 Sec. 50-52 Eft. 7-1-09	TN inposes tax on the sale of computer software maintenance contracts covering computer software located in TN and sold by the seller of the computer software and third party sellers.
		Mandatory computer software maintenance contract	NA	T.C.A. 67-6-231(b)	2009 P.C. 530 Sec. 50-52 Eft. 7-1-09	
		Optional computer software maintenance contract	NA	T.C.A. 67-6-231(b)	2009 P.C. 530 Sec. 50-52 Eft. 7-1-09	
		DIGITAL PRODUCTS				
		Specified digital products	Yes, Eft. 1-1-09	T.C.A. 67-6-102(81)	2008 P.C. 1106 Secs. 18, 19, 20, 21, 22 Eft. 1-1-09	
		Digital audio-visual works	Yes, Eft. 1-1-09	T.C.A. 67-6-102(26)	2008 P.C. 1106 Secs. 18, 19, 20, 21, 22 Eft. 1-1-09	
		Digital audio works	Yes, Eft. 1-1-09	T.C.A. 67-6-102(25)	2008 P.C. 1106 Secs. 18, 19, 20, 21, 22 Eft. 1-1-09	
		Digital books	Yes, Eft. 1-1-09	T.C.A. 67-6-102(27)	2008 P.C. 1106 Secs. 18, 19, 20, 21, 22 Eft. 1-1-09	
		FOOD AND FOOD PRODUCTS				
		Alcoholic beverages	Yes, Eft. 1-1-08	T.C.A. 67-6-102(3)	2008 P.C. 602 Sec. 68, Eft. 1-1-08	
	CRIC INTERPRETATION ADOPTED SEPTEMBER 20, 2007	Candy	Yes, Eft. 7-15-02	T.C.A. 67-6-102(7)	2007 P.C. 602 Sec. 68, 83. Eft. 1-1-08. T.C.A. 67-6-228	2007 P.C. 602 Sec. 83 repeals and Sec. 68 replaces with the same language in the general definitions provisions T.C.A. 67-6-102 to apply to other sales and use tax statutes effective 1-1-08
		Dietary supplement	Yes, Eft. 7-15-02	T.C.A. 67-6-102(24)	2007 P.C. 602 Sec. 68, 83. Eft. 1-1-08. T.C.A. 67-6-228	2007 P.C. 602 Sec. 83 repeals and Sec. 68 replaces with the same language in the general definitions provisions T.C.A. 67-6-102 to apply to other sales and use tax statutes effective 1-1-08
		Food and food ingredients	Yes, Eft. 7-15-02	T.C.A. 67-6-102(39)	2007 P.C. 602 Sec. 68, 83. Eft. 1-1-08. T.C.A. 67-6-228	2007 P.C. 602 Sec. 83 repeals and Sec. 68 replaces with the same language in the general definitions provisions T.C.A. 67-6-102 to apply to other sales and use tax statutes effective 1-1-08
		Food sold through vending machines	NA			
	CRIC INTERPRETATION ADOPTED APRIL 18, 2006 & DECEMBER 14, 2006	Prepared food	Yes, Eft. 1-1-08	T.C.A. 67-6-102(61)	2007 P.C. 602 Sec. 68, 83. Eft. 1-1-08. T.C.A. 67-6-228	2007 P.C. 602 Sec. 83 repeals and Sec. 68 replaces with the same language in the general definitions provisions T.C.A. 67-6-102 to apply to other sales and use tax statutes effective 1-1-08
		Soft drinks	NA			
		Tobacco	Yes, Eft. 1-1-08	T.C.A. 67-6-102(88)	2007 P.C. 602 Sec. 68, 83. Eft. 1-1-08. T.C.A. 67-6-228	2007 P.C. 602 Sec. 83 repeals and Sec. 68 replaces with the same language in the general definitions provisions T.C.A. 67-6-102 to apply to other sales and use tax statutes effective 1-1-08
		HEALTH-CARE				
	CRIC INTERPRETATION ADOPTED JUNE 23, 2007	Drug	Yes, Eft. 1-1-08	T.C.A. 67-6-102(31)	2007 P.C. 602 Sec. 68, 92 Eft. 1-1-08 T.C.A. 67-6-320	
		Durable medical equipment (effective 1/1/08)	Yes, Eft. 1-1-08	T.C.A. 67-6-102(32)	2007 P.C. 602 Sec. 68, 89. Eft. 1-1-08 T.C.A. 67-6-314	

		Grooming and hygiene products	Yes, Eft. 1-1-08	T.C.A. 67-6-102(40)	2007 P.C. 602 Sec. 68, 92 Eft. 1-1-08 T.C.A. 67-6-320	
		Mobility enhancing equipment	Yes, Eft. 1-1-08	T.C.A. 67-6-102(51)	2007 P.C. 602 Sec. 68, 89. Eft. 1-1-08 T.C.A. 67-6-314	
		Over-the-counter-drug	Yes, Eft. 1-1-08	T.C.A. 67-6-102(55)	2007 P.C. 602 Sec. 68, 92 Eft. 1-1-08 T.C.A. 67-6-320	
		Prescription	Yes, Eft. 1-1-08	T.C.A. 67-6-102(62)	2007 P.C. 602 Sec. 68, 92 Eft. 1-1-08 T.C.A. 67-6-314 and 67-6-320	
		Prosthetic device	Yes, Eft. 1-1-08	T.C.A. 67-6-102(65)	2007 P.C. 602 Sec. 68, 92 Eft. 1-1-08 T.C.A. 67-6-320	
		TELECOMMUNICATIONS				
		The following are Tax Base/Exemption terms:				
		Ancillary services	Yes, Eft. 6-22-05	T.C.A. 67-6-102(4)		
		Conference bridging service	Yes, Eft. 6-22-05	T.C.A. 67-6-102(4)(A)		
		Detailed telecommunications billing service	Yes, Eft. 6-22-05	T.C.A. 67-6-102(4)(B)		
		Directory assistance	Yes, Eft. 6-22-05	T.C.A. 67-6-102(4)(C)		
		Vertical service	Yes, Eft. 6-22-05	T.C.A. 67-6-102(4)(D)		
		Voice mail service	Yes, Eft. 6-22-05	T.C.A. 67-6-102(4)(E)		
		Telecommunications service	Yes, Eft. 6-22-05	T.C.A. 67-6-102(85)		
		800 service	NA			
		900 service	NA			
		Fixed wireless service	NA			
		Mobile wireless service	NA			
		Paging service	NA			
		Prepaid calling service	Yes, Eft. 1-1-08	T.C.A. 67-6-102(59)	2007 P.C. 602 Sec. 68, 85. Eft. 1-1-08 T.C.A. 67-6-230(a)	
		Prepaid wireless calling service	Yes, Eft. 1-1-08	T.C.A. 67-6-102(60)	2007 P.C. 602 Sec. 68, 85. Eft. 1-1-08 T.C.A. 67-6-230(a)	
		Private communications service	Yes, Eft. 6-22-05	T.C.A. 67-6-102(64)		
		Value-added non-voice data service	NA			
		The following are Modifiers of Sales Tax Base/Exemption Terms:				
		Coin-operated telephone service	Yes, Eft. 6-22-05	T.C.A. 67-6-102(12)		
		International	Yes, Eft. 6-22-05	T.C.A. 67-6-102(43)		
		Interstate	Yes, Eft. 6-22-05	T.C.A. 67-6-102(44)		
		Intrastate	Yes, Eft. 6-22-05	T.C.A. 67-6-102(45)		
		Pay telephone service	NA			
		Residential telecommunications service	NA			

Part III	Sales Tax Holiday Definitions					
		Eligible property	Yes, Eft. 7-1-06	T.C.A. 67-6-393(e)		
		Energy Star qualified product	NA			
		Layaway sale	Yes, Eft. 7-1-06	T.C.A. 67-6-102(46) and 67-6-393(d)(1)		
		Rain check	Yes, Eft. 7-1-06	T.C.A. 67-6-102(69) and 67-6-393(d)(4)		
		School supply	Yes, Eft. 7-1-06	T.C.A. 67-6-102(78) and 67-6-393(a)(2)		
		School art supply	Yes, Eft. 7-1-06	T.C.A. 67-6-102(75) and 67-6-393(a)(3)		
		School instructional material	Yes, Eft. 7-1-06	T.C.A. 67-6-102(77) and 67-6-393(b)(6)		
		School computer supply	Yes, Eft. 7-1-06	T.C.A. 67-6-102(76) and 67-6-393(b)(7)		

Notes:

The Certificate of Compliance was revised on July 7, 2009, to reflect amendments to the Agreement as approved by the Streamlined Sales Tax Implementing States on May 12, 2009.

Certificate of Compliance Attestation

As the chief executive of the state's tax agency, I declare that this Certificate of Compliance is true, correct, and complete to the best of my knowledge and belief.

Signature

Title

State

Date