Streamlined Sales Tax Governing Board, Inc.

Online Taxability/Best Practice Matrix or Certificate of Compliance Change

State: Tennessee

Date: 07/31/2015

Change Number (to be completed by SSTGB)

Name of Person Submitting Change: Sherry Hathaway

Effective Date of Change: 07/31/2015

Date Change to be Published for Public View: 08/01/2015

Change Order Details

- ○ Taxability/Best Practice Matrix Change
- ◉ Certificate of Compliance Change

List reference number of changed items:

New responses for 328054, 328057, HD140. Added Comment to 328050.
Revised comments and statute cites for 2015 Public Chapter 273 delay in effective date of law changes from 7-1-2015 to 7-1-2017 for - 302010, 302040, 305020, 305040, 308010, 308030, 310010 - 310110, 311010 - 313050, 314010-314110, 315010-315150, 317080, 318010, 318040, 318060, 318070, 318080, 319010, 322110, 323010, 323030, 327010, 327020, 330010, 330020, and 330030.

TO BE COMPLETED BY SSTGB

Date Change Published

Streamlined Sales Tax Governing Board, Inc.

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Tennessee Certificate of Compliance

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Approved By: Richard H. Roberts

Title: Commissioner

Submitted By: Sherry Hathaway

Phone: 123 456 7890

Revised Date: Jul ▾ 31 ▾ 2015 ▾

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.

The Certificate of Compliance was revised on May 17, 2014, to reflect amendments to the Agreement as approved by the Streamlined Sales Tax Governing Board through May 15, 2014.

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**					
301010		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)		
301020		Are sellers and purchasers 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, 67-6-602, and 67-6-608(a)		
301030		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	T.C.A. 67-6-103 (g) and 67-6-710 2007 P.C. 602 Secs. 136, 167, 168 Eft. date changed to 7-1-17 by 2015 P.C. 273	
301040		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, 67-6-710 and 67-1-102(b)(10)		
301050		Are local jurisdictions prohibited from conducting independent sales or use tax audits of sellers and purchasers except where authorized by state law to conduct an audit for the state and all local jurisdictions, subject to the same confidentiality and other protections and the same administrative and appeal procedures granted audits conducted by the state?	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				

302010		vehicles, aircraft, watercraft, modular homes, manufactured homes, mobile homes, fuels used to power motor vehicles, aircraft, locomotives, or watercraft, or electricity, piped natural or artificial gas or other fuels delivered by the seller?	Yes Eft. 7-1-17		T.C.A. 67-6-207 and 67-6-218 Eft. 1-1-08 2007 P.C. 602 Secs. 129, 130, 131, 135, 137, 138, 142, 143, 146, 147, 150, 151, 164, 170. Eft. date changed to 7-1-17 by 2015 P.C. 273 2014 P.C. 908 amended Sec. 129, 131,155,157, & 160 Eft. 7-1-14	2015 P.C. 273 Changed Eft. Date to 7-1-17 for: 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 business telecom repeal local exemption 67-6-702(g)(1) (Sec.146,164), Energy fuels for mfrs exempt s/u tax 67-6-206 & impose priv tax 67-4-2303 (Sec. 142, 129); Dyed diesel fuel used to power a means of transport other than watercraft exempt s/u tax & impose diesel tax 67-3-202; 2014 P.C. 908 eft. 7-1-14 Materials owned by nonprofit colleges exempt s/u tax 67-6-209(b) (Sec. 143); Steam, chilled water from metro county govt. exempt s/u tax 67-6-322(g) & impose priv tax 67-4-2304 (Sec. 150, 129); Single article to apply only to motor vehicles, watercraft, aircraft, manuf. & modular homes 67-6-702(c)(Sec.164)
302020		Does the tax base differ for state and local jurisdictions for motor vehicles, aircraft, watercraft, modular homes, manufactured homes or mobile homes?	Yes		2007 P.C. 602 Sec. 164 Eft. date changed to 7-1-17 by 2015 P.C. 273	T.C.A. 67-6-702(c) amended eft. 7-1-17 such that single article local tax limitation on the first $1,600 of the sales price of tangible personal property will apply only to motor vehicles, watercraft, aircraft, manufactured and modular homes (Sec. 164 part (a)(2))
302030		Does the tax base differ for state and local jurisdictions for fuels used to power motor vehicles, aircraft, locomotives or watercraft?	Yes	T.C.A. 67-6-704		T.C.A. 67-6-704 exemption from local tax for: Aircraft - aviation fuel subject to state rate of 4.5% T.C.A. 67-6-217 Watercraft - Dyed diesel fuel subject to general state rate of 7% T.C.A. 67-6-202 Gasoline is exempt from s/u tax T.C.A. 67-6-329(a)(1) Dyed diesel fuel used to power a means of transport exempt s/u, subject to diesel tax Eft. 7-1-14. T.C.A. 67-6-329(a)(2) Note: 2007 P.C. 602 Sec. 131,132,144,151,155,165 may be repealed as a result of the 12-2010 amendment to SSUTA Sec. 302. These provisions are scheduled to take effect 7-1-17 and will exempt energy fuels from s/u tax and impose certain privilege taxes
302040		Does the tax base differ for state and local jurisdictions for electricity, piped natural or artificial gas or other fuels delivered by the seller?	Yes	T.C.A. 67-6-704		T.C.A. 67-6-704 exemption from local tax for: Electricity, piped natural or artifical gas or other fuels delivered by the seller and sold to businesses subject to general state rate of 7% T.C.A. 67-6-202 Residental energy exempt from s/u tax T.C.A. 67-6-334 Note: 2007 P.C. 602 Sec. 164 may be amended as a result of the 12-2010 amendment to SSUTA Sec. 302. Part (a)(1) of Sec. 164 scheduled to take effect 7-1-17 will impose a .5% local tax rate on electricity, piped natural or artifical gas or other fuels delivered by the seller that are sold to businesses.

Section 303	**Seller registration**					
303010		Is the state capable of pulling registration information from the central registration system?	Yes	T.C.A. 67-6-608	2007 P.C. 602 Sec. 117 Eft. 1-1-08	
303020		Does the state exempt a seller without a legal obligation to register from paying registration fees?	Yes			No fee charged for registration.
303030		Does the state allow a seller to register on the central registration system without a signature?	Yes			
303040		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**					
304010	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			
304020		A2. Does the state limit the effective date of a rate change to the first day of a calendar quarter?	No			
304030		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 notice regarding statute changes, posts hot topic and legislative summaries and other information to the web site and conducts taxpayer seminars across the state to notify taxpayers of law changes.
304040		"C. 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					
305010		Does the state have local jurisdictions that levy a sales or use tax? If yes, answer the following questions.	Yes			
305020		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. 7-1-17	T.C.A. 67-6-706 (a)(3) and 67-6-716(1) Eft. 7-1-17	2007 P.C. 602 Sec. 166 & 172 Eft. date changed to 7-1-17 by 2015 P.C. 273	
305030		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. 7-1-17	T.C.A. 67-6-716 (2) Eft. 7-1-17	2007 P.C. 602 Sec. 166 & 172 Eft. date changed to 7-1-17 by 2015 P.C. 273	
305040		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. 7-1-17	T.C.A. 67-6-716 (3) Eft. 7-1-17	2007 P.C. 602 Sec. 166 & 172 Eft. date changed to 7-1-17 by 2015 P.C. 273	
305050		D. Does the state provide and maintain a database with boundary changes?	Yes	T.C.A. 67-6-806	2007 P.C. 602 Sec. 124 Eft. 1-1-08	Creation of database completed in May 2005
305060		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 P.C. 602 Sec. 124 Eft. 1-1-08	Creation of address & 5 digit zip code database was completed in May 2005 and January 2007 the update with 9 digit code information was completed and also available in a downloadable format.
305070		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 P.C. 602 Sec. 124 Eft. 1-1-08	
305080		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 P.C. 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 identified as including more than 1 local tax rate.
305090		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 P.C. 602 Sec. 124 Eft. 1-1-08	Tennessee's database is also an address-based system.

305100		1. Are the records in the same format as database records in F?	Yes	T.C.A. 67-6-806	2007 P.C. 602 Sec. 124 Eft. 1-1-08	
305110		2. Do the records meet the requirements of the Federal Mobile Telecommunications Sourcing Act?	Yes	T.C.A. 67-6-806	2007 P.C. 602 Sec. 124 Eft. 1-1-08	
305120		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			
305130		1. Are those databases in the same format as the database records approved pursuant to (G) of this section?	NA			
305140		2. Do those databases meet the requirements of the Federal Mobile Telecommunications Sourcing Act (4 U.S.C.A. Sec. 119 (a))?	NA			
Section 306	**Relief from certain liability**					
306010		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 P.C. 602 Sec. 110 Eft. 1-1-08	Prior to 1-1-08 such relief of liability was available to CSP's and their Model 1 Sellers.
Section 307	**Database requirements and exceptions**					
307010		A. Does the state provide a database per Section 305, in downloadable format?	Yes	T.C.A. 67-6-806	2007 P.C. 602 Sec. 124 Eft. 1-1-08	
307020		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**					

308010		A1. Does the state have more than one state sales and use tax rate on items of personal property or services except for fuel used to power motor vehicles, aircraft, locomotives, or watercraft, or to electricity, piped natural or artificial gas, or other fuels delivered by the seller, or the retail sale or transfer of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes?	Yes until 7-1-17		T.C.A. 67-6-207 and 67-6-218 Eft. 1-1-08. 2007 P.C. 602 Secs. 129, 130, 135, 137, 138, 142, 145, 146, 147, 148, 151, 154, 155, 170. Eft. date changed to 7-1-17 by 2015 P.C. 273 2014 P.C. 908 deleted Sec. 129 Eft. 7-1-14	2015 P.C. 273 Changed Eft. Date to 7-1-17 for: 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); 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); 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).
308020		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. 7-1-17	T.C.A. 67-6-228		Effective 1-1-08 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 7-1-17 all other state and local sales and use tax rates will be repealed. TN will have a general sales and use tax state rate and a single additional rate on food and food ingredients and each local jurisdiction will have a single local tax rate. Note: 2007 P.C. 602 Sec. 132, 144, 155 part (a) may be repealed as a result of the 12-2010 amendment to SSUTA Sec. 302. Aviation fuel is subject to 4.5% state rate and exempt from local tax.
308030		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 7-1-17	T.C.A. 67-6-702 Eft. 7-1-17	2007 P.C. 602 Secs. 129, 154, 164. Eft. date changed to 7-1-17 by 2015 P.C. 273.	

						2015 P.C. 273 Eft. date changed to 7-1-17 for: Intrastate telecom svcs - repeal 67-6-702(g)(2) (2.5% local rate) (Sec. 164); Residential interstate telecom svcs - repeal 67-6-702(g)(1) (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 (Secs. 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). Specified digital products - repeal 67-6-702(g)(4)(2.5% local rate (Sec. 164). Note: Eft. 7-1-17 the general local tax rate in each jurisdiction will apply to sales of intrastate telecom, residential interstate telecom and specified digitial products pursuant to T.C.A. 67-6-702(a). Vending machines sales excluded from SSUTA requirements. No change in 2.25% vending local rate.<
308040		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. 7-1-17	T.C.A. 67-6-901 and 67-6-902	2007 P.C. 602 Sec. 173, 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	
310010	CRIC INTERPRETATION ADOPTED SEPTEMBER 20, 2007	1. If received at business location of seller, then sourced to that location?	Yes Eft. 7-1-17	T.C.A. 67-6-902 (a)(1)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	
310020		2. If not received at business location of seller, then sourced to location of receipt?	Yes Eft. 7-1-17	T.C.A. 67-6-902 (a)(2)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	
310030		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. 7-1-17	T.C.A. 67-6-902 (a)(3)	2007 P.C. 602 Sec. 174 Eft. Date changed to 7-1-17 by 2015 P.C. 273	
310040		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	Yes Eft. 7-1-17	T.C.A. 67-6-902 (a)(4)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	

		address is available?				
310050		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. 7-1-17	T.C.A. 67-6-902 (a)(5)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	
		B. Does the state source a lease or rental of tangible personal property as follows:	Yes Eft. 7-1-17	T.C.A. 67-6-902 (b)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	
310060		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. 7-1-17	T.C.A. 67-6-902 (b)(1)(A)	2007 PC 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 PC 273	
310070		2. If no recurring periodic payments, then sourced in accordance with rules of retail sale?	Yes Eft. 7-1-17	T.C.A. 67-6-902 (b)(1)(B)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	
	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. 7-1-17	T.C.A. 67-6-902 (c)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	
310080		1. If recurring periodic payments, then sourced to primary property location?	Yes Eft. 7-1-17	T.C.A. 67-6-902 (c)(1)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	
310090		2. If no recurring periodic payments, then sourced in accordance with rules of retail sale?	Yes Eft. 7-1-17	T.C.A. 67-6-902 (c)(2)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	
310100		D. Does the state source the retail sale, including lease or rental, of transportation equipment in accordance with rules for retail sale?	Yes Eft. 7-1-17	T.C.A. 67-6-902 (d)(1)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	

310110		1. Does the state define transportation equipment pursuant to in Section 310, subsection D?	Yes Eft. 7-1-17	T.C.A. 67-6-902 (d)(2)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	
Section 310.1	**Election for Origin-Based sourcing**	**Effective January 1, 2010**				
301500	CRIC INTERPRETATION ADOPTED APRIL 30, 2010	Has the state elected to source the retail sale, excluding lease or rental, of tangible personal property and digital goods on where the order is received?	No			
301510		Does the state comply with all the provisions of 310.1 B and C?	NA			
Section 311	**General sourcing definitions**					
311010		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. 7-1-17	T.C.A. 67-6-902 (e)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	
Section 313	**Direct mail sourcing**					
313010		A.2. For advertising and promotional Direct Mail, does the state provide that upon receipt of a direct mail form or Exemption Certificate claiming direct mail, or other written statement approved by the state, the seller, in the absence of bad faith, is relieved of all obligations to collect, pay or remit the tax to which the permit pertains?	Yes Eft. 7-1-17	T.C.A. 67-6-904 (a)(1)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-15 by 2015 P.C. 273	Tennessee adopted the original direct mail sourcing provision currently scheduled to take effect 7-1-17 with the balance of other conforming Streamlined law changes. Tennessee has not adopted the 2009 amendments to the direct mail sourcing in Section 313. It is expected legislation will be introduced such that the direct mail provisions are amended to incorporate the 2009 direct mail amendment prior to the 7-1-17 effective date of T.C.A. 67-6-904 et. seq. Tennessee has posted the Streamlined Certificate of Exemption with the direct mail reason code grayed out.
313020		A.3. Does the state provide that upon receipt of jurisdictional 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. 7-1-17	T.C.A. 67-6-904 (a)(2)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	See comments in A.2. above.
		A.4. For advertising and promotional				

313030		Direct Mail, does the state require the seller to collect tax pursuant to Section 310 (A)(5) if the purchaser does not provide a direct pay permit, Exemption Certificate claiming direct mail, or jurisdictional information?	Yes Eff. 7-1-17	T.C.A. 67-6-904 (b)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	See comments in A.2. above.
313040		B 1. For other Direct Mail, does the state require the seller to collect tax pursuant to Section 310 (A)(3) if the purchaser does not provide a direct pay permit or an Exemption Certificate claiming direct mail?	No			See Comments in A.2 above. Section 310 sourcing is currently scheduled to take effect in Tennessee 7-1-17. Billing services and other print-mail services where the seller is creating individualized statements/ bills and mailing to receiptents that are not the purchaser are nontaxable services in Tennessee. The Streamlined Certificate of Exemption on Tennessee's website has direct mail reason code grayed out.
313050		B 3.For other Direct mail does the state provide that upon receipt of a direct pay permit, Exemption Certificate claiming direct mail, or other written statement approved by the state, the seller, in the absence of bad faith, is relieved of all obligations to collect, pay or remit the tax?	Yes Eff. 7-1-17	T.C.A. 67-6-904 (a)(1)	2007 P.C. 602 Sec. 174 Eft. date changed to 7-1-17 by 2015 P.C. 273	See comments in A.2. and B.1.
Section 313.1	**Origin-based direct mail sourcing**					
313510		A. Has the state adopted the origin-based direct mail sourcing?	No			
Section 314	**Telecom sourcing rule**					
314010		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	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 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. Section 67-6-905(a).
314020		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	T.C.A. 67-6-905 (c)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. date changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. Section 67-6-905(b). 2004 P.C. 782 and 2007 P.C. 602 also adopt provisions for sourcing ancillary services to customer's place of primary use pursuant to the January 1, 2008 requirement.

314030		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	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 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. Section 67-6-905(c)(1).
314040		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	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 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. Section 67-6-905(c)(2).
314050		C3. Does the state source the sale of prepaid wireless calling service and prepaid calling services 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. 7-1-17		2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. date changed to 7-1-17 by 2015 P.C. 273	Effective 1-1-08 prepaid calling service and prepaid wireless calling service definitions are adopted and excluded from the definition tangible personal property. Effective 7-1-17 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 7-1-17 prepaid calling services and prepaid wireless calling services are subject to tax at the time of sale using origin-based sourcing.
314060		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	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 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(c)(4)(A).
314070		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	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 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(c)(4)(B).
314080		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	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 7-1-17 by 2015 PC 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(c)(4)(B).

314090		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	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 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(c)(4)(B).
314100		D. Does the state source the sale of Internet access service to the customer's place of primary use?	NA	NA	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. date changed to 7-1-17 by 2015 P.C. 273	Retail sale of Internet access is not a taxable service in Tennessee.
314110		E. Does the state source the sale of an ancillary service to the customer's place of primary use?	Yes	T.C.A. 67-6-905 (c)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. date changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 provides ancillary services are sourced to place of primary use effective 7-1-17 in T.C.A. 67-6-905(b).
Section 315	**Telecom sourcing definitions**					
		Does the state define the following terms in sourcing telecommunications:				
315010		A. Air-to-ground radiotelephone service?	Yes	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 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(d)(1).
315020		B. Ancillary services?	Yes	T.C.A. 67-6-102 (7) and 67-6-905(c)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. date changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(b).

315030		C. Call-by-call basis?	Yes	T.C.A. 67-6-905 (a)(2)	2004 P.C. 782 Sec. 14 Eff. 7-1-04 2007 P.C. 602 Sec. 176 Eff. date changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(d)(3).
315040		D. Communications channel?	Yes	T.C.A. 67-6-905 (a)(3)	2004 P.C. 782 Sec. 14 Eff. 7-1-04 2007 P.C. 602 Sec. 176 Eff. date changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(d)(3).
315050		E. Customer?	Yes	T.C.A. 67-6-905 (a)(4)	2004 P.C. 782 Sec. 14 Eff. 7-1-04 2007 P.C. 602 Sec. 176 Eff. date changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(d)(4).
315060		F. Customer channel termination point?	Yes	T.C.A. 67-6-905 (a)(5)	2004 P.C. 782 Sec. 14 Eff. 7-1-04 2007 P.C. 602 Sec. 176 Eff. date changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(d)(5).
315070		G. End user?	Yes	T.C.A. 67-6-905 (a)(6)	2004 P.C. 782 Sec. 14 Eff. 7-1-04 2007 P.C. 602 Sec. 176 Eff. date changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(d)(6).
315080		H. Home service provider?	Yes	T.C.A. 67-6-905 (a)(7)	2004 P.C. 782 Sec. 14 Eff. 7-1-04 2007 P.C. 602 Sec. 176 Eff. date changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(d)(7).
315090		I. Mobile telecommunications service?	Yes	T.C.A. 67-6-905 (a)(8)		2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(d)(8).

					2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. date changed to 7-1-17 by 2015 P.C. 273	
315100		J. Place of primary use?	Yes	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 changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(d)(9).
315110		K. Post-paid calling service?	Yes	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 changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 amends the definition of post-paid calling services to specify a post-paid calling service includes a telecommunications services, except a prepaid wireless calling service, that would be a prepaid calling service except it is not exclusively a telecommunications service effective 7-1-17 in T.C.A. 67-6-905(d)(10).
315120		L. Prepaid calling service?	Yes	T.C.A. 67-6-102 (64)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. date changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(d)(11).
315130		M. Prepaid wireless calling service?	Yes	T.C.A. 67-6-102 (65)	2004 P.C. 782 Sec. 14 Eft. 7-1-04 2007 P.C. 602 Sec. 176 Eft. date changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(d)(12).
315140		N. Private communication service?	Yes	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 changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(d)(13).

315150		O. Service address?	Yes	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 changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 176 replaces with the exact same language effective 7-1-17 in T.C.A. 67-6-905(d)(14).
Section 316	**Enactment of Exemptions**					
316010		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	T.C.A. 67-6-207 (a)(14) 67-6-301 thur 67-6-392	T.C.A. 67-6-102 prod. def. T.C.A. 67-6-228, 67-6-229, 67-6-230, 67-6-231, 67-6-314, 67-6-320, 67-6-329, 67-6-337 2007 P.C. 602 Sec. 61, 68, 83, 84, 85, 86, 89, 92, 93, 96, Eft.1-1-08 T.C.A. 67-6-102 and 67-6-233 2008 P.C. 1106 Sec. 9 Eft. 6-5-08 & Sec. 18-22 Eft. 1-1-09	
316020		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	T.C.A. 67-6-207 (a)(14) 67-6-301 thur 67-6-392	T.C.A. 67-6-102 prod. def. T.C.A. 67-6-228, 67-6-229, 67-6-230, 67-6-231, 67-6-314, 67-6-320, 67-6-329, 67-6-337 2007 P.C. 602 Sec. 61, 68, 83, 84, 85, 86, 89, 92, 93, 96, Eft. 1-1-08 T.C.A. 67-6-102 and 67-6-233 2008 P.C. 1106 Sec. 9 Eft. 6-5-08 & Sec. 18-22 Eft. 1-1-09	

316030		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	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	T.C.A. 67-6-207, 67-6-219, 67-6-229, 67-6-329, 67-6-337, 67-6-351, 67-6-389 67-6-387 2007 P.C. 602 Secs. 79, 82, 84, 93, 96, 98, 99, 100. Eft.1-1-08 T.C.A. 67-6-102 Ind. Mach. 2008 P.C. 1106 Secs. 22 Eft. 1-1-09	
316040		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	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	T.C.A. 67-6-207, 67-6-219, 67-6-229, 67-6-329, 67-6-337, 67-6-351, 67-6-389 67-6-387 2007 P.C. 602 Secs. 79, 82, 84, 93, 96, 98, 99, 100 Eft.1-1-08 T.C.A. 67-6-102 Ind. Mach. 2008 P.C. 1106 Secs. 22 Eft. 1-1-09	
Section 317	**Administration of exemptions**					
		A. Does the state provide for the following in regard to purchasers claiming exemption:				
317010		1. Seller shall obtain identifying information from purchaser and reason for claiming exemption?	Yes	T.C.A. 67-6-409 (a)(1)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
317020		2. Purchaser is not required to provide signature, unless paper exemption certificate?	Yes	T.C.A. 67-6-409 (a)(2)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
317030		3. Seller shall use standard form for claiming exemption electronically?	Yes	T.C.A. 67-6-409 (a)(2)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	

317040		4. Seller shall obtain same information for proof regardless of medium?	Yes	T.C.A. 67-6-409 (a)(2)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
317050		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, & 67-6-389		T.C.A. 67-6-206 - industrial machinery; T.C.A. 67-6-207 - farmers, nurserymen, timber harvesters; T.C.A. 67-6-219 - common carriers; T.C.A. 67-6-322 - non-profit entities; T.C.A. 67-6-389 - private communications for headquarters qualified entites
317060		6. Seller shall maintain records of exempt transaction and provide to state when requested?	Yes	T.C.A. 67-6-409 (a)(4)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
317070	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	T.C.A. 67-6-409	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
317080		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. 7-1-17	T.C.A. 67-6-102 (75)(A)	2007 P.C. 602 Sec. 134 Eft. date changed to 7-1-17 by 2015 P.C. 273.	Until 7-1-17 Tenn. Comp R. & Regs. 1320-5-1-.96 provides a Tennessee resale certificate is required from out-of-state vendors for drop shipments by Tennessee drop shippers to Tennessee users and consumers. Effective 7-1-17, 2007 P.C. 602 Sec. 134 amends definition of "resale" to include, "Sales of tangible personal property or taxable services made by a dealer to an out-of-state vendor who directs that the dealer act as the out-of-state vendor's agent to deliver or ship tangible personal property or taxable services to the out-of-state vendor's customer, who is a user and consumer, are sales for resale".
317090		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	T.C.A. 67-6-409 (b)(1)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
317100		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	T.C.A. 67-6-409 (b)(1)		

						Tennessee has not yet adopted legislation defining the time period for "time of sale" as within 90 days of the sale. The Department currently interprets "at the time of purchase" to mean that sellers must obtain a fully completed cetificate or the identifying information in electronic format within 90 days subsequent to the time of purchase. Absent fraud or illegal solicitation, when the seller obtains a fully completed certifiate at the time of sale or within 90 days subsequent to the time of sale, the seller is not liable for sales if it is determined the purchaser improperly claimed an exemption.
317110	CRIC INTERPRETATION ADOPTED DECEMBER 19, 2011	D.1. Does the state provide the seller with 120 days subsequent to a request for substantiation by a state, if the seller has not obtained an exemption certificate as provided in B, to obtain an exemption certificate or other information establishing the transaction was not subject to tax?	Yes	T.C.A. 67-1-1501 (b)		Tennessee has not yet adopted legislation for the 90-day period for obtaining exemption certificates at the "time of sale or purchase" or the subsequent 120-day period for sellers under audit that failed to obtain exemption certificates within the 90-day period to substantiate exemption for non-taxed sales. An audited seller may, within the statute of limitations for such audit, substantiate an exemption for nontaxed sales.
317120		D.2. Subsequent to the 90-day period provided in B., does the state relieve a seller of the tax for exemption certificates taken in good faith or other information establishing the transaction was not subject to tax that are obtained by the seller as provided in D.1.?	Yes			Tennessee has not yet adopted legislation defining the good faith standard and its application to exemption documentation obtained after the 90-day period. Currently, when a fully completed certificate or electronic identifying information is obtained by the seller after the 90 days following the date of the sale, the seller is liable for tax unless the certificate or electronic identifying information was taken in good faith.
317130		G. Does the state post the Streamlined Exemption Certificate on its website?	Yes			
317140	The answer to this question does not impact certification, but it would provide useful 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	T.C.A. 67-6-207(b) farmers, nurserymen and timber harvesters must qualify for and receive a new certificate every 4 years.
317150		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	T.C.A. 67-6-409 (b)(1)	2007 P.C. 602 Sec. 103 Eft. 1-1-08	
Section 318	**Uniform tax returns**					
318010		A. Does the state require the filing of only one tax return for each taxing	Yes Eft. 7-1-17			

		period for each seller for the state and all local jurisdictions?		T.C.A. 67-6-504 (a)	2007 P.C. 602 Sec. 158 Eft. date changed to 7-1-17 by 2015 P.C. 273	
318020		B.1. 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	
318030		B.2. Does the state provide when the due date for a return falls on a Saturday or Sunday or legal holiday, the return shall be due the next succeeding business day.	Yes	T.C.A. 4-1-402		
318040		C.1. Does the state accept the SER approved by the governing board?	Yes - See Comments	T.C.A. 67-6-504 (a) and 67-6-536(a)	2007 P.C. 602 Sec. 113 Eft. 1-1-08 2007 P.C. 602 Sec. 161 Eft. date changed to 7-1-17 by 2015 P.C. 273	Currently T.C.A. 67-6-536(a) provides Model 1 & 2 sellers with no locations in Tennessee may file using the SER format. In addition, under the commissioner's authority in T.C.A. 67-6-504(a) and 67-6-601 et. seq. any volunteer seller that does not have a location in Tennessee may use the Streamlined SER for filing returns in Tennessee. Effective 7-1-17 2007 P.C. 602 Sec. 161 provides Model 1 & 2 sellers with locations in Tennessee may start using the Streamlined SER.
318050		C 2. Does the state require the submission of exemption information on part 2 of the SER, excluding Model 4 sellers without a legal requirement to register?	Yes	T.C.A. 67-6-504 (a)		Tennessee has notified the Governing Board of the requirement of exemption information on part 2 of the SER.
318060		C.3. Does the state allow Model 1, Model 2, and Model 3 sellers 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. 7-1-17	T.C.A. 67-6-504 (a) and 67-6-536(a)	2007 P.C. 602 Sec. 113 Eft. 1-1-08 2007 P.C. 602 Sec. 161 Eft. date changed to 7-1-17 by 2015 P.C. 273	Currently T.C.A. 67-6-536(a) provides Model 1 & 2 sellers with no locations in Tennessee may file using the SER format. In addition, under the commissioner's authority in T.C.A. 67-6-504(a) and 67-6-601 et. seq. any volunteer seller that does not have a location in Tennessee may use the Streamlined SER for filing returns in Tennessee. Effective 7-1-17 2007 P.C. 602 Sec. 161 provides Model 1 & 2 sellers with locations in Tennessee may start using the Streamlined SER.
318070		C 3.c. Does the state allow a model 4 seller to file an SER?	Yes - See Comments	T.C.A. 67-6-504 (a) and 67-6- 536(a)	2007 P.C. 602 Sec. 113 Eft. 1-1-08 2007 P.C. 602 Sec. 161 Eft. date changed to 7-1-17 by 2015 P.C. 273	Under the commissioner's authority in T.C.A. 67-6-504(a) and 67-6-601 et. seq. any volunteer seller registered through the Streamlined Central Registration System that does not have a location in Tennessee may use the Streamlined SER for filing returns in Tennessee. Effective 7-1-17 sellers with locations in this state will be afforded the option of filing an SER in conjunction with the allowance for Model 1 & 2 with locations in Tennessee to file using the SER.

318080	Effective 1-1-2013	C.3.d. Does the state allow sellers not registered under the Agreement to file an SER?	Yes Eff. 7-1-17	T.C.A. 67-6-504 (a) and 67-6-536(a)	2007 P.C. 602 Sec. 113 Eft. 1-1-08 2007 P.C. 602 Sec. 161 Eft. date changed to 7-1-17 by 2015 P.C. 273	See Comments Above in C.3.c.
318090		D. Does the state require the filing of a return from a seller who registers under the Agreement and indicates that it anticipates making no sales that would be sourced to that state?	No	T.C.A. 67-6-504 (a)		Tennessee is an associate member state. Sellers who do not make sales into Tennessee would not select Tennessee in the Central Registration System for purposes of registering in our state. However, sellers that do select Tennessee and do not have a location in Tennessee, are placed in a non-filing status until such time as the seller files its first return at which time an appropriate filing frequency is determined for the seller.
318100		F. Does the state give notice to a seller registered under the Agreement, that has no legal requirement to register in a state, who failed to file a return, a minimum 30 days notice prior to establishing a liability amount for taxes based solely on the seller's failure to timely file?	Yes			A minimum of 30 days is given on all sales and use taxpayer accounts prior to the creation of an estimated liability and mailing of a delinquency notice for failure to timely file.
Section 319	**Uniform rules for remittance of funds**					
319010		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 2007 P.C. 602 Sec. 158 Eft. 7-1-17 amends T.C.A. 67-6-504(a)	Until 7-1-17 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.
319020		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		2007 P.C. 602 Sec. 106 Eft. 1-1-08	
319030		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. 106 Eft. 1-1-08	
		D. Does the state provide an alternative				

319040		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. 106 Eft. 1-1-08	
319050		E 1. Does the state provide that if a due date falls on a Saturday, Sunday or a legal holiday in the state, the taxes are due on the next succeeding 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.
319060		E 2. Does the state provide that if a due date falls on a day the Federal Reserve Bank is closed, the taxes are due on the next day the Federal Reserve Bank is open?	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.
319070		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 commissioner has broad authority to adopt forms in current law.
Section 320	**Uniform rules for recovery of bad debts**					
320010		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. 602 Sec. 107 Eft. 1-1-08	
320020		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	
320030		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	
320040		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	

320050		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	
320060		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	
320070		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. 107 Eft. 1-1-08	
320080		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	
320090		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**					
321010		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)	2007 P.C. 602 Sec. 54 Eft. 1-1-08	Tennessee publishes on its website list of confidentiality and privacy rights and protections under Tennessee law.
321020		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.		
321030		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.		

321040		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.
321050		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 enforced by state's attorney general.
Section 322	**Sales tax holidays**					
322010		A. Does the state have sales tax holidays?	Yes	T.C.A. 67-6-393		Tennessee sales tax holiday for 2015 is the first Friday, August 7, through Sunday, August 9.
322020		1. If a state has a holiday, does the state limit the holiday exemption to items that are specifically defined in Part II or Part III(B) of the Library of Definitions and apply the exemptions uniformly to state and local sales and use taxes?	Yes	T.C.A. 67-6-393 & definitions in 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.
322030		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		
322040		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)(7)		
322050		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)(7)		Tennessee sales tax holiday items are limited to non-business use.
322060		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				

322070		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.
322080		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)		
322090		C. Does the state meet each of the procedural requirements for holidays?	Yes			
322100		1. Layaway sales?	Yes	T.C.A. 67-6-393 (d)(1)		
322110		2. Bundled sales?	Yes Eff. 7-1-17	T.C.A. 67-6-539	2007 P.C. 602 Sec. 133, 162 Eff. date changed to 7-1-17 by 2015 P.C. 273	Effective 7-1-17 Tennessee has adopted the definition of a bundled transaction and provisions for tax treatment of a bundled transaction. From 1-1-08 until 7-1-17 provisions of the sales price definition apply for exempt personal property bundled with taxable personal property. Legislation to repeal sales price bundling provision (T.C.A. 67-6-102(79)(A)(vi) is needed by effective date of bundled transaction language 7-1-17.
322120		3. Coupons and discounts?	Yes	T.C.A. 67-6-393 (d)(2)		
322130		4. Splitting of items normally sold together?	Yes	T.C.A. 67-6-393 (d)(3)		
322140		5. Rain checks?	Yes	T.C.A. 67-6-393 (d)(4)		
322150		6. Exchanges?	Yes	T.C.A. 67-6-393 (d)(5)		

322160		7. Delivery charges?	Yes	T.C.A. 67-6-393 (d)(6)		
322170		8. Order date and back orders?	Yes	T.C.A. 67-6-393 (d)(7)		
322180		9. Returns?	Yes	T.C.A. 67-6-393 (d)(8)		
322190		10. Different time zones?	Yes	T.C.A. 67-6-393 (d)(9)		
Section 323	**Caps and thresholds**					
323010		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 7-1-17		2007 P.C. 602 Secs. 58, 59, 93. Eft. 1-1-08 2008 P.C. 1106 Sec. 2 Eft. 7-1-08 2007 P.C. 602 Secs. 130, 135, 151, 170, 164 Eft. date changed to 7-01-17 by 2015 P.C. 273	2015 P.C. 273 eft. date changed to 7-17-17 for: Cable TV thresholds repealed, granted s/u tax exemption and imposed priv. tax T.C.A. 67-4-2401. (Secs.130,135,151,170) Additional state tax on single articles of tpp repealed except on motor vehicles, air craft, watercraft, manuf. and modualr homes sold unafixed to real property. (Sec. 164) Local tax limitation on singles articles of tpp 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. (Sec. 164)
323020		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 no contain caps on overall tax rates.
323030		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 until 7-1-17	T.C.A. 67-6-702 (a) & (b)	See # 1 Above Eft. Date changed to 7-1-17 by 2015 P.C. 273	
323040		D. Does the state have cap or threshold on the value of essential clothing?	No			
Section 324	**Rounding rule**					

324010		1. Does the state provide that the tax computation must be carried to the third decimal place?	Yes	T.C.A. 67-6-504 (h)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
324020		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	T.C.A. 67-6-504 (h)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
324030		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	T.C.A. 67-6-504 (h) & (i)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
324040		B.2. Can the state confirm that it has repealed any requirements for sellers to collect tax on bracket system?	Yes	T.C.A. 67-6-504 (i)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
Section 325	**Customer refund procedures**					
325010		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	T.C.A. 67-6-538 (d)	2007 P.C. 602 Sec. 115 Eft. 1-1-08	
325020		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	T.C.A. 67-6-538 (e)	2007 P.C. 602 Sec. 115 Eft. 1-1-08	
Section 326	**Direct pay permits**					
326010		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. R. & Regs. 1320-5-1-.68(4) and T.C.A. 67-6-102 (31-32)		
Section 327	**Library of definitions**					

327010		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 7-1-17	T.C.A. 67-6-102 et seq. and 67-6-905 (a)(1-12)	2007 P.C. 602 Secs. 60, 61, 62, 64, 65, 66, 68 for definitions and Secs. 71, 74, 79, 80, 83-86, 89, 92, 93, 95, 96, 98, 99 & 100 for use of definitions. Eft. 1-1-08. 2008 P.C. 1106 Sec. 9 Eft. 6-05-08 & Sec.18 Eft.1-1-09 2007 P.C. 602 Sec. 133 Eft. date changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Secs. 133 & 162 Eft. 7-1-17 for definition of bundled transaction and tax treatment of bundled transaction. Legislation to repeal sales price bundling provision (T.C.A. 67-6-102(79)(A)(vi) is needed by effective date of bundled transaction language 7-1-17.
327020		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 7-1-17	T.C.A. 67-6-102 et seq. and 67-6-905 (a)(1-12)	2007 P.C. 602 Secs. 60, 61, 62, 64, 65, 66, 68 for definitions and Secs. 71, 74, 79, 80, 83-86, 89, 92, 93, 95, 96, 98, 99 & 100 for use of definitions. Eft. 1-1-08 2008 P.C. 1106 Sec. 9 Eft. 6-05-08 & Sec.18 Eft.1-1-09 2007 P.C. 602 Sec. 133 Eft. date changed to 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Secs. 133 & 162 Eft. 7-1-17 for definition of bundled transaction and tax treatment of bundled transaction. Legislation to repeal sales price bundling provision (T.C.A. 67-6-102(79)(A)(vi) is needed by effective date of bundled transaction language 7-1-17.
		C. Except as provided in Sections 316 and 332 and Library, can the state confirm that it imposes tax on all				

327030	CRIC INTERPRETATION ADOPTED AUGUST 29, 2006	products and services included within each Part II or Part III(B) definition or exempt from tax all products or services within each definition?	Yes		2007 P.C. 602 Sec. 68, 83, 89, 92, 93 Eft. 1-1-08	
Section 328	**Taxability matrix**					
328010		A1. Has the state completed the Library of Definitions portion of the taxability matrix in the downloadable format approved by Governing Board?	Yes			
328020		A2. Has the state completed the Tax Administration Practices portion of the taxability matrix in the downloadable format approved by the Governing Board?	Yes			
328030		B. Does the state provide notice of changes in the taxability matrix as required by the Governing Board?	Yes			Tennessee has posted each taxability 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
328040		C.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 Library of Definitions section of the taxability matrix?	Yes	T.C.A. 67-6-537 (d)	2007 P.C. 602 Sec. 114 Eft. 1-1-08	
328050	This is not a compliance issue, but information that is useful for businesses to know and understand.	C.2. If the state amends an existing provision of the Library of Definitions section of the taxability matrix, does the state relieve sellers and CSPs from liability to the state and its local jurisdictions until the first day of the calendar month that is at least 30 days after notice of a change to the state's Library of Definitions section of the taxability matrix is submitted to the Governing Board for having charged and collected incorrect tax if the seller or CSP relied on the prior version of the taxability matrix?	No			T.C.A. 67-6-537(d) provides relief from liability for erroneous data in the taxability matrix provided by the Department. Erroneous data in the matrix must be most recently published information that was effective on the date of the transaction. Tennessee statutes do not provide for 30 days to comply with changes made in the taxability matrix. Tennessee also publishes notices, guides and legislative updates to notify taxpayers of law changes.
328054	This is not a compliance issue, but information that is useful for businesses to know and understand.	D.1.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 Tax Administration Practices section of the taxability matrix?	Yes	T.C.A. 67-6-537 (d)		
		D.2. If the state amends an existing provision of the Tax Administration Practices section of the taxability matrix, does the state relieve sellers				

328057	This is not a compliance issue, but information that is useful for businesses to know and understand.	and CSPs from liability to the state and its local jurisdictions until the first day of the calendar month that is at least 30 days after notice of a change to the state's Tax Administration Practices section of the taxability matrix is submitted to the Governing Board for having charged and collected incorrect tax if the seller or CSP relied on the prior version of the taxability matrix?	No			T.C.A. 67-6-537(d) provides relief from liability for erroneous data in the taxability matrix provided by the Department. Erroneous data in the matrix must be most recently published information that was effective on the date of the transaction. Tennessee statutes do not provide for 30 days to comply with changes made in the taxability matrix. Tennessee also publishes notices, guides and legislative updates to notify taxpayers of law changes.
328060		E. If the state taxes specified digital products, has the state noted such in the Library of Definitions section of the taxability matrix?	Yes			
328070		F. If the state has a sales tax holiday, has the state noted the exemption in the Library of Definitions section of the taxability matrix?	Yes			
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 administatively under the statutory powers granted the commissioner to administer the assessment and collection of taxes, and will publish policy to this effect
329010		1. For a rate increase, the new rate shall apply to the first billing period starting on or after the effective date?	Yes			
329020		2. For a rate decrease, new rate shall apply to bills rendered on or after the effective date?	Yes			
Section 330	**Bundled Transactions**					
330010		A. Has the state adopted and does the state utilize the core definition of "bundled transaction" to determine tax treatment?	Yes Eft. 7-1-17	T.C.A. 67-6-102 Eft. 7-1-17	2007 P.C. 602 Secs. 133,162 Eft. date changed to 7-1-17 by 2015 P.C. 273	
		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:				
330020		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 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 162 rewrites the language T.C.A. 67-6-539 in conjunction with the effective date of the bundled transaction definition 7-1-17.
330030		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 7-1-17 by 2015 P.C. 273	2007 P.C. 602 Sec. 162 rewrites the language T.C.A. 67-6-539 in conjunction with the effective date of the bundled transaction definition 7-1-17.
330040		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	T.C.A. 67-6-102 (19) and 67-6-231(b)	2009 P.C. 530 Secs. 50-52 Eft. 7-1-09	Tennessee specifically imposes tax on sales and use of computer software maintenance contracts.
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:				
331010		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	T.C.A. 67-6-533 (a)(c) and 67-6-537(d)	2007 P.C. 602 Sec. 114 Eft. 1-1-08	
331020		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	T.C.A. 67-6-533 (a)(c) and 67-6-537(d)	2007 P.C. 602 Sec. 114 Eft. 1-1-08	
331030		3. A purchaser relied on erroneous data provided by the state in the taxability	Yes			

		matrix completed by the state pursuant to Section 328?		T.C.A. 67-6-537 (d)	2007 P.C. 602 Sec. 114 Eft. 1-1-08	
331040		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	T.C.A. 67-6-533	2007 P.C. 602 Sec. 114 Eft. 1-1-08	
331050		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	T.C.A. 67-6-537 (d)	2007 P.C. 602 Sec. 114 Eft. 1-1-08	
Section 332	**Specified Digital Products**					
332010		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	T.C.A. 67-6-233	2008 P.C. 1106 Secs. 18 & 19 Eft. 1-1-09	
332020		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	T.C.A. 67-6-233 (f)	2008 P.C. 1106 Secs. 18 & 19 Eft. 1-1-09	
332030		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	T.C.A. 67-6-233 (b)(1)	2008 P.C. 1106 Secs. 18 & 19 Eft. 1-1-09	
332040		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	Yes	T.C.A. 67-6-233 (b)(2)	2008 P.C. 1106 Secs. 18 & 19 Eft. 1-1-09	

		specifically imposed on a sale which is conditioned upon continued payment from the purchaser?				
332050		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 than permanent use granted by the seller or which is conditioned upon continued payment from the purchaser?	Yes	T.C.A. 67-6-233 (f)	2008 P.C. 1106 Secs. 18 & 19 Eft. 1-1-09	
332060		G. Is the state's tax treatment of the sale of a digital code the same as the tax treatment of specified digital product or product delivered electronically to which the digital code relates?	Yes	T.C.A. 67-6-233 (c)	2008 P.C. 1106 Secs. 18 & 19 Eft. 1-1-09	
Section 333	**Use of Specified Digital Products**	**Effective January 1, 2010**				
333010		Excluding prewritten computer software, does the state include any product transferred electronically in its definition of tangible personal property?	No	T.C.A. 67-6-102 (89) and 67-6-231	2008 P.C. 1106 Secs. 18 & 19 Eft. 1-1-09	
Section 334	**Prohibited replacement taxes**					
334010		Does the state have any prohibited replacement taxes?	No			
Section 335	**Tax Administration Practices**					
335010	No state shall be found out of compliance with the Agreement because the effect of the state's laws, rules, regulations, and policies do not follow each of the tax administration practices adopted by the Governing Board.	Did the state complete the Tax Administration Practices section of the taxability matrix by the first day of the calendar month that is at least 60 days after the date the Governing Board selects a disclosed and/or best practice and submit it to the Executive Director for posting on the Governing Board's website?	No			Completed 8-1-2014
Section 401	**Seller participation**					
401010		A. Does the state participate in the Governing Board's online registration system?	Yes	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				

401020		central registration system and collection of taxes in member states in determining whether seller has nexus with state for tax at any time?	Yes	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**					
402010	CRIC INTERPRETATION ADOPTED DECEMBER 14, 2006	A.1. 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	
402020		A.2. 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 the 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	
402030		A.3. For states that join the Agreement after the seller has already registered under the Agreement, does the state provide amnesty to those sellers in accordance with A.1. and A.2. above?	NA	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	
402040	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 PC 499 Sec. 65 Eft. 6-22-05 2007 PC 602 Sec. 114 Eft. 1-1-08	
402050	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	
402060	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				

402070		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**					
403010		Does the state provide that the seller may select one of the technology models?	Yes	T.C.A. 67-6-504 (j)(1)	2007 P.C. 602 Sec. 68 & 106 Eft. 1-1-08	
403020		A. Model 1-seller selects CSP as agent to perform all functions except remit tax on its own purchases?	Yes	T.C.A. 67-6-504 (j)(1)	2007 P.C. 602 Sec. 68 & 106 Eft. 1-1-08	
403030		B. Model 2-seller selects CAS which calculates amount of tax due?	Yes	T.C.A. 67-6-504 (j)(3)	2007 P.C. 602 Sec. 68 & 106 Eft. 1-1-08	
403040		C. Model 3-seller utilizes own proprietary system that has been certified as a CAS?	Yes		2007 P.C. 602 Sec. 68 Eft. 1-1-08	
Section 404	**Registration by an agent**					
404010		Does the state provide that the seller may be registered by an agent?	Yes	T.C.A. 67-6-102 (11) certified service provider definition Eft. 6-27-06 T.C.A. 67-6-504 (j-l)	2007 P.C. 602 Sec. 117 Eft. 1-1-08	
404020	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**					
501010		A. Does state law provide for provider and system certification to aid in the administration of sales and use tax collection?	Yes	T.C.A. 67-6-102 (11) certified service provider definition 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**					
502010		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 (10) and 67-6-504 (j)(3)	2007 P.C. 602 Sec. 106 Eft. 1-1-08	
502020		B. Does the state provide liability relief to CSP's and model 2 sellers for reliance on the certification?	Yes	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	
502030		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 Secs. 110 & 114 Eft. 1-1-08	
502040		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	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**					
601010		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	T.C.A. 67-6-509 (d)	2005 P.C. 499 Sec. 67 Eft. 6-22-05 2006 P.C. 1019 Sec. 43 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) & Sec. 109 Eft. 1-1-08 (repeals T.C.A. 67-6-542)	
Section 602	**Monetary allowance for Model 2 sellers**					

602010		Does the state provide monetary allowance to Model 2 sellers pursuant to the Governing Board's rules?	Yes	T.C.A. 67-6-509 (d)	2005 P.C. 499 Sec. 67 Eft. 6-22-05 2006 P.C. 1019 Sec. 43 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) & Sec. 109 Eft. 1-1-08 (repeals T.C.A. 67-6-542)	
		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**					
AD010		Bundled transaction	Yes Eft. 7-1-17		2007 P.C. 602 Sec. 133 Eft. Date changed to 7-1-17 by 2015 PC 273	
AD020		Delivery charges	Yes	T.C.A. 67-6-102 (25)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	
AD030	"CRIC INTERPRETATIONS ADOPTED DECEMBER 14, 2006 AND SEPTEMBER 5, 2008"	Direct mail	Yes	T.C.A. 67-6-102 (30)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	
AD040		Lease or rental	Yes	T.C.A. 67-6-102 (49)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	
AD050		Purchase price	Yes	T.C.A. 67-6-102(72)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	
AD060		Retail sale or Sale at retail	Yes	T.C.A. 67-6-102 (76)		

					2007 P.C. 602 Sec. 68 Eft. 1-1-08	
AD070	AMENDED DEFINITION ON OCTOBER 6, 2011 RELATING TO EXCLUSION FOR CERTAIN STATE, LOCAL AND TRIBAL TAXES	Sales price	Yes See Comments	T.C.A. 67-6-102 (79)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	Legislation to repeal sales price bundling provision (T.C.A. 67-6-102(79)(A)(vi) is needed by effective date of bundled transaction language 7-1-17.
AD080		Telecommunications nonrecurring charges	NA			
AD090	CRIC INTERPRETATION ADOPTED MAY 12, 2009	Tangible personal property	Yes	T.C.A. 67-6-102 (89)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	
Part II	**Product definitions**	**CLOTHING**				
PD010		Clothing	Yes	T.C.A. 67-6-102 (12)	2006 P.C. 398 Sec. 2 Eft. 7-1-06	
PD020		Clothing accessories or equipment	Yes	T.C.A. 67-6-102 (13)	2006 P.C. 398 Sec. 2 Eft. 7-1-06	
PD030		Essential clothing	NA			
PD040	CRIC INTERPRETATION ADOPTED AUGUST 29, 2006	Fur clothing	NA			
PD050		Protective equipment	Yes	T.C.A. 67-6-102 (71)	2006 P.C. 398 Sec. 2 Eft. 7-1-06	
PD060		Sport or recreational equipment	Yes			

				T.C.A. 67-6-102 (87)	2006 P.C. 398 Sec. 2 Eft. 7-1-06	
		COMPUTER RELATED				
PD070		Computer	Yes	T.C.A. 67-6-102 (17)	2007 P.C. Sec. 68 Eft. 1-1-08	
PD080	CRIC INTERPRETATION ADOPTED MAY 12, 2009	Computer software	Yes	T.C.A. 67-6-102 (18) and 67-6-231 (a)	2007 P.C. Sec. 68 Eft. 1-1-08	
PD090		Delivered electronically	Yes	T.C.A. 67-6-102 (24)	2007 P.C. Sec. 68 Eft. 1-1-08	
PD100		Electronic	Yes	T.C.A. 67-6-102 (35)	2004 P.C. 782 Sec. 3 Eft. 7-1-04	
PD110		Load and leave	NA			
PD120	CRIC INTERPRETATION ADOPTED MAY 12, 2009	Prewritten computer software	Yes	T.C.A. 67-6-102 (68)	2007 P.C. Sec. 68 Eft. 1-1-08	
PD130		Computer software maintenance contract	Yes	T.C.A. 67-6-102 (19) and 67-6-231(b)	2009 P.C. 530 Secs. 50-52 Eft. 7-1-09	
PD140		Mandatory computer software maintenance contract	NA	T.C.A. 67-6-231 (b)	2009 P.C. 530 Secs. 50-52 Eft. 7-1-09	
PD150		Optional computer software maintenance contract	NA	T.C.A. 67-6-231 (b)	2009 P.C. 530 Secs. 50-52 Eft. 7-1-09	

		DIGITAL PRODUCTS				
PD160		Specified digital products	Yes	T.C.A. 67-6-102 (86)	2008 P.C. 1106 Secs. 18, 19, 20, 21, 22 Eft. 1-1-09	
PD170		Digital audio-visual works	Yes	T.C.A. 67-6-102 (28)	2008 P.C. 1106 Secs. 18, 19, 20, 21, 22 Eft. 1-1-09	
PD180		Digital audio works	Yes	T.C.A. 67-6-102 (27)	2008 P.C. 1106 Secs. 18, 19, 20, 21, 22 Eft. 1-1-09	
PD190		Digital books	Yes	T.C.A. 67-6-102 (29)	2008 P.C. 1106 Secs. 18, 19, 20, 21, 22 Eft. 1-1-09	
		FOOD AND FOOD PRODUCTS				
PD200		Alcoholic beverages	Yes	T.C.A. 67-6-102 (6)	2007 P.C. 602 Sec. 68 Eft. 1-1-08	
PD210		Bottled water	NA			
PD220	CRIC INTERPRETATIONS ADOPTED SEPTEMBER 20, 2007, SEPTEMBER 30, 2009, DECEMBER 17, 2009 & OCTOBER 30, 2013	Candy	Yes	T.C.A. 67-6-102 (9)	2007 P.C. 602 Secs. 68 & 83 Eft. 1-1-08 T.C.A. 67-6-228	
PD230		Dietary supplement	Yes	T.C.A. 67-6-102 (26)	2007 P.C. 602 Secs. 68 & 83 Eft. 1-1-08 T.C.A. 67-6-228	
PD240	CRIC INTERPRETATIONS ADOPTED OCTOBER 7, 2010 & DECEMBER 19, 2011	Food and food ingredients	Yes	T.C.A. 67-6-102 (41)	2007 P.C. 602 Secs. 68 & 83 Eft. 1-1-08 T.C.A. 67-6-228	

PD250		Food sold through vending machines	NA			
PD260	CRIC INTERPRETATIONS ADOPTED APRIL 18, 2006, DECEMBER 14, 2006 AND MAY 14, 2014	Prepared food	Yes	T.C.A. 67-6-102 (66)	2007 P.C. 602 Secs. 68 & 83 Eft. 1-1-08 T.C.A. 67-6-228	
PD270	CRIC INTERPRETATIONS ADOPTED SEPTEMBER 30, 2009 & OCTOBER 30, 2013	Soft drinks	NA			
PD280		Tobacco	Yes	T.C.A. 67-6-102 (93)	2007 P.C. 602 Secs. 68 & 83 Eft. 1-1-08 T.C.A. 67-6-228	
		HEALTH-CARE				
PD290	CRIC INTERPRETATION ADOPTED JUNE 23, 2007	Drug	Yes	T.C.A. 67-6-102 (33)	2007 P.C. 602 Sec. 68 & 92 Eft. 1-1-08 T.C.A. 67-6-320	
PD300	CRIC INTERPRETATION ADOPTED MAY 12, 2015	Durable medical equipment (effective 1/1/08)	Yes	T.C.A. 67-6-102 (34)	2007 P.C. 602 Sec. 68 & 89 Eft. 1-1-08 T.C.A. 67-6-314	
PD310		Grooming and hygiene products	Yes	T.C.A. 67-6-102 (42)	2007 P.C. 602 Sec. 68 & 92 Eft. 1-1-08 T.C.A. 67-6-320	
PD320		Mobility enhancing equipment	Yes	T.C.A. 67-6-102 (53)	2007 P.C. 602 Sec. 68 & 89 Eft. 1-1-08 T.C.A. 67-6-314	
PD330		Over-the-counter-drug	Yes	T.C.A. 67-6-102 (59)	2007 P.C. 602 Sec. 68 & 92 Eft. 1-1-08 T.C.A. 67-6-320	

PD340		Prescription	Yes	T.C.A. 67-6-102 (67)	2007 P.C. 602 Sec. 68 & 92 Eft. 1-1-08 T.C.A. 67-6-314 and 67-6-320	
PD350	CRIC INTERPRETATION ADOPTED MAY 12, 2015	Prosthetic device	Yes	T.C.A. 67-6-102 (70)	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:				
PD360		Ancillary services	Yes	T.C.A. 67-6-102 (7)		
PD370		Conference bridging service	Yes	T.C.A. 67-6-102 (7)(A)		
PD380		Detailed telecommunications billing service	Yes	T.C.A. 67-6-102 (7)(B)		
PD390		Directory assistance	Yes	T.C.A. 67-6-102 (7)(C)		
PD400		Vertical service	Yes	T.C.A. 67-6-102 (7)(D)		
PD410		Voice mail service	Yes	T.C.A. 67-6-102 (7)(E)		

PD420		Telecommunications service	Yes	T.C.A. 67-6-102 (90)		
PD430		800 service	NA			
PD440		900 service	NA			
PD450		Fixed wireless service	NA			
PD460		Mobile wireless service	NA			
PD470	CRIC INTERPRETATION ADOPTED AUGUST 17, 2010	Paging service	NA			
PD480		Prepaid calling service	Yes	T.C.A. 67-6-102 (64)	2007 P.C. 602 Sec. 68 & 85 Eft. 1-1-08 T.C.A. 67-6-230 (a)	
PD490		Prepaid wireless calling service	Yes	T.C.A. 67-6-102 (65)	2007 P.C. 602 Sec. 68 & 85 Eft. 1-1-08 T.C.A. 67-6-230 (a) 2007 P.C. 602 Sec. 176 Eft. Date changed to 7-1-17 by 2015 P.C. 273	Tennessee interprets the statute to mean "units or dollars." Tennessee does not exclude from the definition of prepaid wireless calling services offers that have been advertised as "unlimited minutes" that expire over a prescribed unit of time such as weeks or months.
PD500		Private communications service	Yes	T.C.A. 67-6-102 (69)		

PD510		Value-added non-voice data service	NA			
		The following are Modifiers of Sales Tax Base/Exemption Terms:				
PD520		Coin-operated telephone service	Yes	T.C.A. 67-6-102 (14)		
PD530		International	Yes	T.C.A. 67-6-102 (45)		
PD540		Interstate	Yes	T.C.A. 67-6-102 (46)		
PD550		Intrastate	Yes	T.C.A. 67-6-102 (47)		
PD560		Pay telephone service	NA			
PD570		Residential telecommunications service	NA			
Part III	**Sales Tax Holiday Definitions**		**Not in Index of Definitions, Appendix B (JP)**			
HD010		Disaster Preparedness Supply	NA			

HD020		Disaster Preparedness General Supply	NA			
HD030		Disaster Preparedness Safety Supply	NA			
HD040		Disaster Preparedness Food-Related Supply	NA			
HD050		Disaster Preparedness Fastening Supply	NA			
HD060		Eligible property	Yes	T.C.A. 67-6-393 (e)		
HD070		Energy Star qualified product	NA			
HD080		Layaway sale	Yes	T.C.A. 67-6-102 (48) and 67-6-393 (d)(1)		
HD090		Rain check	Yes	T.C.A. 67-6-102 (74) and 67-6-393 (d)(4)		
HD100	CRIC INTERPRETATION ADOPTED DECEMBER 19, 2011	School supply	Yes	T.C.A. 67-6-102 (83) and 67-6-393 (a)(2)		
HD110		School art supply	Yes	T.C.A. 67-6-102 (80) and 67-6-393 (a)(3)		

HD120		School instructional material	Yes	T.C.A. 67-6-102 (82) and 67-6-393 (b)(5)		
HD130		School computer supply	Yes	T.C.A. 67-6-102 (81) and 67-6-393 (b)(6)		
HD140		WaterSense products	NA			