Tennessee Taxability Matrix: Tax Administration Practices

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Changes were made to the following areas of this document (indicated by a "✓"):

____ **Taxability Treatment**

____ **Definition Treatment**

_✓_ **Statute/Rule Cite Reference**

_✓_ **Comments**

_✓_ **Date Revised**

Reference Number of changed items (may include a brief description of the change):

New/Updated Reference Numbers Statute/Rule Cite Reference - 1.1, 1.2, 1.3, 2.10.a, 7.3.a, 7.3.b, 8.1.m.i., 8.1.m.ii., 8.2.a.i., 8.2.a.ii., 8.2.b.i., 8.2.c.i., 8.2.d.i., 8.2.e.i., 8.2.f.i., 8.2.f.ii., 8.2.g.i., 8.2.g.ii., 8.3.a.i., 8.3.a.ii., 8.3.a.iii., 8.3.a.iv., 8.3.a.v., 8.3.a.vi., 8.3.a.vii., 8.3.l.i., 8.3.l.iii., 8.3.l.iv., 8.3.o., 9.2.O.1., 9.2.O.4., 9.2.O.5., 9.2.O.6., 9.2.Q.1., 9.2.Q.2., 9.2.Q.3., 9.2.Q.4., 10.1.a.i., 10.1.a.ii., 10.1.b.i., 10.1.b.ii., 10.1.c.i., 10.1.d.i., 10.2.a.i., 10.3.a.

New/Updated Reference Number Comments - 8.3.a.vii., 10.1.a.i., 10.1.a.ii., 10.1.b.i., 10.1.b.ii., 10.1.c.i., 10.1.d.i., 10.2.a.i., 10.3.a.

Each Tax Administration Practice is in the Library of Tax Administration Practices in the Streamlined Sales and Use Tax Agreement (SSUTA) as amended through May 14, 2026. See Appendix E of the SSUTA for additional explanations and examples related to the Tax Administration Practices".

"Tax Administration Practices" indicates which administrative practices the state follows and provides an explanation of the state's practice if it does not follow a listed practice.

To the extent possible under each state's laws, sellers and CSPs are relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales and use tax resulting from the seller or certified service provider relying on erroneous data provided by the member state relative to the tax administration practices.

To the extent possible under each state's laws, sellers and CSPs are also relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales and use tax until the first day of the calendar month that is at least 30 days after notice of a change to the state's "Taxability Matrix: Tax Administration Practice" is submitted to the governing board, provided the seller or CSP relied on the prior version of the Taxability Matrix.

As of June 2021 the Taxability Matrix was separated into two documents: Taxability Matrix: Library of Definitions (previously Section 1) and Taxability Matrix: Tax Administration Practices (previously Section 2).

Tax Administration Practices from Appendix E of the SSUTA
Disclosed Practice 1 - Vouchers

Voucher Definition: As used herein, a voucher is an instrument that is:

a. issued to a purchaser for an amount that is less than the face value and both the face value and amount paid by the purchaser are noted on the voucher;

b. redeemable for personal property or services in a single visit only at the seller's business;

c. redeemable either for a specific product or for a certain dollar amount towards the purchase price of any product sold by the seller;

d. issued, marketed, or distributed by a third party pursuant to a specific agreement with the seller, and the seller determines the price at which the voucher is to be issued and allows redemption of the specific voucher for personal property or services ("third party agreement");

e. neither a digital code nor a redemption code as defined by the Agreement or its Rules;

f. not a ticket for an admission to a specific performance or event on a specific date and time;

g. not a gift card or gift certificate nor is it convertible, in whole or in part, to gift cards, gift certificates or cash;

h. not usable in combination with other promotions or coupons offered by the seller; and

i. not a prepaid calling service or a prepaid wireless calling service.

Vouchers may be provided to purchasers in the form of an electronic instrument that is scanned by the seller from the purchaser's electronic device.

		Statute/Rule Cite	**Comment**
The definition of “voucher” is for the purposes of responding to Disclosed Practice 1. See comments for state comments pertaining to this definition.			N/A, Tennessee has not adopted this definition for voucher.
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	**Does Your State Follow this Practice?**	**Statute/Rule Cite**	**Comment**
1.1 The member state administers the difference between the value of a voucher allowed by the seller and the amount the purchaser paid for the voucher as a discount that is not included in the sales price (i.e., same treatment as a seller's in-store coupon), provided the seller is not reimbursed by a third party, in money or otherwise, for some or all of that difference.	Yes	T.C.A. 67-6-102(92)	
1.2 The member state provides that when the discount on a voucher will be fully reimbursed by a third party the seller is to use the face value of the voucher (i.e., same as the treatment of a manufacturer's coupon) and not the price paid by the purchaser as the measure (sales price) that is subject to tax.	Yes	T.C.A. 67-6-102(92)	

1.3 The member state provides that costs and expenses of the seller are not deductible from the sales price and are included in the measure (sales price) that is subject to tax. Further, reductions in the amount of consideration received by the seller from the third party that issued, marketed, or distributed the vouchers, such as advertising or marketing expenses, are costs or expenses of the seller.	Yes	T.C.A. 67-6-102(92)	
Disclosed Practice 2 - Credits			
Definition: "Tax Paid" means the tax that was (1) paid and (2) previously due from either the seller or the purchaser when the sale of that product is taxable in that state and it was properly sourced based on that state's sourcing rules. "Tax paid" includes tax that was (1) paid and (2) previously due from the purchaser (or seller, if applicable) because the purchaser moved the product to a different jurisdiction. "Tax paid" does not include the portion of tax paid that is currently eligible for a credit or refund or tax paid that is eligible for refund under a tax-incentive program or agreement.			
		Statute/Rule Cite	**Comment**
The definition of “tax paid” is for the purposes of responding to Disclosed Practice 2. See comments for state comments pertaining to this definition.			N/A, Tennessee has not adopted this definition for tax paid.
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	**Does Your State Follow this Practice?**	**Statute/Rule Cite**	**Comment**
2.1 Credit Against Use Tax			
2.1 The State imposing tax on the purchaser provides credit for "sales or use taxes paid" on a product against the state's use tax.	Yes	T.C.A. 67-6-507(a), 67-6-313(f), Rule 1320-05-01-.91(1)	Tax paid by the purchaser in the other state must be a like tax (i.e., sales or use tax), legally imposed and properly paid. Purchaser is required to have documentation to substantiate proof of payment for credit. Credit is limited to the amount of use tax due in Tennessee.
2.2 Credit Against Sales Tax			
2.2 The State imposing tax provides credit for the "sales or use taxes paid" on a product against the state's sales tax.	No	T.C.A. 67-6-507	Tennessee law only allows for credit for Tennessee tax paid to a vendor on personal property or taxable service that was subsequently resold in Tennessee. Sellers paying sales or use tax on the purchase of property in another state that is resold in Tennessee must obtain a refund from the other state for the sales or use tax paid in the other state on property resold in Tennessee.
2.3 Reciprocity			

2.3.a The credit the State provides in 2.1 and 2.2 applies regardless of whether another state provides a reciprocal credit.	Yes	T.C.A. 67-6-507(a), 67-6-313(f), Rule 1320-05-01-.91(1)	2.1 - the tax paid in the other state must be a sales or use tax to receive credit in Tennessee against the use tax due.
2.3.b. The credit the State provides in 2.1 and 2.2 only applies when the other state where the tax was paid provides a reciprocal credit.	No		The tax paid in the other state must be a sales or use tax to receive credit in Tennessee against the use tax due.
2.4 State and Local Sales and Use "Tax Paid"			
2.4.a. The credit provided for in 2.1 and 2.2 is for the **combined** amount of state and local "tax paid" to another state or local jurisdiction against both the state and local taxes due to the State.	Yes		
2.4.b. The credit provided for in 2.1 and 2.2 is for **only** the state "tax paid" to another state against the taxes due to the State (i.e., no credit for local tax against state tax). If the State has local sales or use taxes, it only provides credit for state tax against state tax and local tax against local tax.	No		
2.5 Credit for "Similar Tax" Paid to Another Jurisdiction			
2.5 The credit provided for in 2.1 and 2.2 includes "similar taxes" that were (1) paid and (2) previously due to another state or local jurisdiction against the sales or use taxes due. If applicable, list below all known similar or like taxes the State provides credit for even if such tax does not meet the definition of a "similar tax."	No	T.C.A. 67-6-507(a), 67-6-313(f), Rule 1320-05-01-.91(1)	N/A, The tax paid in the other state must be a sales or use tax to receive credit in Tennessee against the use tax due.
Credits 2.5			
2.6. Credit Against "Similar Tax" Imposed by the State			
2.6 The credit provided for in 2.1 and 2.2 includes "sales or use taxes paid" to another state or local jurisdiction against "similar taxes" due. If applicable, list below "similar taxes" imposed that the State provides credits against.	No		N/A, The tax paid in the other state must be a sales or use tax to receive credit in Tennessee against the use tax due.
2.7 Sourcing when Receipt Location is Known			
2.7 The credit provided for in 2.1 and 2.2 applies when the other state's "sales or use taxes" were (1) paid and (2) previously due based on: i) that other state's sourcing rules, or ii) the purchaser's location of use of a product subsequent to the initial sale.	No	T.C.A. 67-6-901 - 904 [P.C. 377, Sec. 30 (2023), eft. 7-1-2024]	Certain streamlined sourcing provisions are effective July 1, 2024. Credit is not available in Tennessee for taxes paid in other states where the taxpayer incurred the Tennessee tax before a taxable event occurred in another state.
2.8 Sourcing when Receipt Location is Unknown			

2.8 Except as provided in Credits 2.13, the credit provided for in 2.1 and 2.2 applies when the seller sources the initial sale pursuant to the SSUTA Sections 310.A.3, 310.A.4, or 310.A.5, because the location where the product was received by the purchaser was unknown to the seller.	Yes	T.C.A. 67-6-901 - 904 P.C. 377, Sec. 30 (2023), eft. 7-1-2024	Certain streamlined sourcing provisions are effective July 1, 2024. 2.1- A purchaser will receive credit for sales tax legally imposed and paid in another state, against the amount of use tax due in Tennessee.
2.9 Characterization of Sale			
2.9 The credit provided for in 2.1 and 2.2 applies regardless of the other state's characterization of the product as tangible personal property, a service, digital good, or product delivered electronically.	Yes		Tennessee would impose tax and give credit based on Tennessee law. Tennessee imposes use tax on tangible personal property, specified digital products, computer software, computer software maintenance contracts, warranty contracts covering tangible personal property in Tennessee, and services performed out of state to tangible personal property and computer software where the service property or software is received in Tennessee.
2.10 Sales Price Components			
2.10.a. Full Credit Allowed - The credit provided for in 2.1 and 2.2 applies to all components of the SSUTA "sales price" definition, whether taxable or nontaxable in the State.	Yes	T.C.A. 67-6-102(92)	Tennessee adopted the Streamlined "sales price" definition including all components of the SSUTA sales price definition: delivery charges, installation charges, services necessary to complete the sale and telecommunications nonrecurring charges.
2.10.b. Partial Credit Allowed - When taxable and non-taxable charges are itemized on the invoice, the credit provided for in 2.1 and 2.2 is only for the "tax paid" on the taxable components of the sales price in the State.	No		NA
2.11 Transactions with Taxable and Exempt Products			
2.11.a. Full Credit Allowed - The credit provided for in 2.1 and 2.2 applies to the full amount of "tax paid" on a transaction consisting of taxable and exempt products.	No		NA
2.11.b. Partial Credit Allowed - When taxable and non-taxable products are itemized on the invoice the credit provided for in 2.1 and 2.2 is only for the "tax paid" on the taxable products of a transaction in the State.	Yes		
2.12 Audit Sampling			

2.12 The credit provided for in 2.1 and 2.2 applies when the sale or purchase of the product was part of the population sampled pursuant to an audit sampling method.	Yes	T.C.A. 67-6-507(b), Rule 1320-05-01-.91(1)	2.1 - Documentation is required to substantiate the tax has been paid. A Tennessee vendor claiming the purchaser paid the Tennessee tax in an audit may also be required to provide an affidavit from the purchaser stating that the Tennessee tax has been paid in Tennessee. Credit is not available in Tennessee for taxes paid in other states where the taxpayer incurred the Tennessee tax before a taxable event occurred in another state.
2.13 Direct Mail			
2.13 The credit provided for in 2.1 and 2.2 applies when the seller sources the sale of Advertising and Promotional Direct Mail pursuant to Section 313.A.4.	Yes	T.C.A. 67-6-904 P.C. 377, Sec. 30 (2023), eft. 7-1-2024	Effective July 1, 2024, streamlined sourcing for advertising and promotional direct mail delivered out of state is sourced out of state. For transactions before July 1, 2024, credit for sales tax paid in another state is given when the title to advertising and promotional direct mail transfers to the purchaser outside Tennessee, before the recipient's receipt of the direct mail in Tennessee.
2.14 Accelerated Payments on Lease/Rentals			
2.14 The credit provided for in 2.1 and 2.2 includes the "tax paid" to another state or local jurisdiction on a lease/rental transaction based on the sum of the lease payments ("accelerated basis"), against the "sales or use taxes" due on the balance of the lease/rental payments.	Yes	T.C.A. 67-6-507(a), 67-6-313(f), Rule 1320-05-01-.91(1)	
2.15 Inception-Deferred Collection on Lease/Rentals			
2.15 The credit provided for in 2.1 and 2.2 includes the "tax paid" to another state or local jurisdiction on a lease/rental transaction based on a deferred collection/remittance method against the "sales or use taxes" due on the balance of the lease/rental payments.	No	T.C.A. 67-6-507(a), 67-6-313(f), Rule 1320-05-01-.91(1)	To receive credit the tax must be paid.
2.16 Lessor Acquisition			
2.16 The credit provided for in 2.1 and 2.2 includes the "tax paid" by the lessor to another state or local jurisdiction on the acquisition of the product against the "sales or use taxes" due on the balance of the lease/rental payments provided the tax reimbursement is documented and disclosed to the lessee.	No	T.C.A. 67-6-204	Tangible personal property purchased for use exclusively to lease or rent may be purchased on a resale certificate. Lessors paying sales or use tax on the purchase of property in another state that is leased in Tennessee must obtain a refund from the other state for the tax paid in the other state on acquisition of property for lease in Tennessee. Tennessee tax is imposed on the lease payments.
Disclosed Practice 3 - Liability Relief			

Note: These tax administration practices address whether a member state provides liability relief although the state is only required to provide relief "to the extent possible," as specified in sections 328(C) and (D) of the Agreement.			
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	**Does Your State Follow this Practice?**	**Statute/Rule Cite**	**Comment**
Disclosed Practice 3.1 - Liability relief for erroneous information in the tax administration practices section of the taxability matrix			
If you answer "Yes" to 3.1, you do not need to complete 3.1.a, b, and c below. If you answer "No" to 3.1, please complete 3.1.a, b, and c below.			
Liability Relief 3.1 The State provides sellers and CSPs with liability relief for tax, interest and penalties if the sellers and CSPs charged and collected the incorrect tax due to erroneous information in the tax administration practices section of the taxability matrix.	Yes	T.C.A. 67-6-537(d)	
Liability Relief 3.1.a. Liability Relief for Tax			
Liability Relief 3.1.b. Liability Relief for Interest			
Liability Relief 3.1.c. Liability Relief for Penalties			
Disclosed Practice 3.2 - Extended liability relief for changes to the tax administration practices section of the taxability matrix			
If you answer "Yes" to 3.2, you do not need to complete 3.2.a, b, and c below. If you answer "No" to 3.2, please complete 3.2.a, b, and c below.			
Liability Relief 3.2 When the State makes a change to its tax administration practice section of the taxability matrix, the State provides sellers and CSPs with liability relief for the tax, interest and penalties for having charged and collected the incorrect tax until the first day of the calendar month that is at least 30 days after notice of the change to the state's tax administration practices section of the taxability matrix is submitted to the governing board, provided the seller or CSP relied on the prior version of the taxability matrix.	No		
Liability Relief 3.2.a. Liability Relief for Tax	No		
Liability Relief 3.2.b. Liability Relief for Interest	No		
Liability Relief 3.2.c. Liability Relief for Penalties	No		
Disclosed Practice 3 .3 Extended liability relief for changes to the library of definitions section of the taxability matrix			

Liability Relief 3.3 When the State makes a change to the library of definitions section of its taxability matrix, the State provides sellers and CSPs with liability relief for the tax, interest and penalties for having charged and collected the incorrect tax until the first day of the calendar month that is at least 30 days after notice of the change to the member state's library of definitions section of the taxability matrix is submitted to the governing board, provided the seller or CSP relied on the prior version of the taxability matrix.	No		However, the Commissioner may determine it is appropriate and instruct Audit that no assessment should be for the first 30 days a statute is in effect and to remove such sales data for that tax reporting period from samples.
Liability Relief 3.3.a. Liability Relief for Tax	No		
If you answer "Yes" to 3.3, you do not need to complete 3.3.a, b, and c below. If you answer "No" to 3.3, please complete 3.3.a, b, and c below.			
Liability Relief 3.3.b. Liability Relief for Interest	No		
Liability Relief 3.3.c. Liability Relief for Penalties	No		
Disclosed Practice 4 - Acceptance of Limited Power-of-Attorney/Agent Authorization Form F0023			
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	**Does Your State Follow this Practice?**	**Statute/Rule Cite**	**Comment**
4.1 Acceptance of Form F0023 From CSPs			
4.1 The member state will accept a signed copy of the Limited Power of Attorney/Agent Authorization form posted to the governing Board's website, as sufficient authority for the state to disclose to the CSP any confidential information of the seller necessary to allow the CSP to fulfill its obligations under its contract with the governing board and to fulfill its responsibilities to the seller under Section 501 of the Agreement.	Yes		
4.2 Acceptance of Form F0023 From Persons Other Than CSPs			

4.2 The member state will accept a signed copy of the Limited Power of Attorney/Agent Authorization form posted to the governing Board's website, as sufficient authority for the state to disclose to the seller's appointed agent, other than a CSP, any confidential information of the seller as authorized on the form to allow the agent to fulfill its obligations to the seller.	Yes		
Disclosed Practice 5 - Post Transaction Issues			
Definition: Unless indicated otherwise throughout Disclosed Practice 5: · Use of the word "tax" means the sales or use tax paid by the customer to the seller which was timely remitted by the seller to the state; · Use of the word "refund" includes a credit unless otherwise stated; · Unless otherwise stated, the refund is being claimed within the state's statute of limitations; · Unless otherwise stated, the seller has refunded the tax to the customer; · The tax rates used in the examples are for illustrative purposes only and are presumed to be correct; · The seller is not engaged in fraud or making intentional misrepresentations; · The seller maintains proper books and records to substantiate taxes collected and remitted based on the applicable state's requirements; · The disclosed practices do not apply to sales of motor vehicles; · The disclosed practices relate to products voluntarily returned by the customer and accepted by the seller (e.g., does not include repossessed products) and; **· The disclosed practices only provide general guidance and assume there are no other unique circumstances that apply.**			
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	**Does Your State Follow this Practice?**	**Statute/Rule Cite**	**Comment**
5.1 - Refund Procedure Document			
5.1 Does your state have written guidance on your website, or otherwise, that explains how sellers and/or customers can properly obtain a tax refund from your state? (If "yes", please provide a website link and/or indicate how a person can obtain guidance in the comment section.)	Yes		See Claim for Credit or Refund of Sales or Use Tax A claim for refund of sales or use tax may also be filed through the Tennessee Taxpayer Access Point (TNTAP).
Disclosed Practice 5.2 - When does your state's statute of limitations begin for a seller to obtain a refund of tax paid for products returned by a customer?			

5.2.a. It begins on the due date of the tax return on which the tax was required to be reported by the seller to the state.	No		
5.2.b. It begins on the date the tax on the sale was due by the seller to the state.	No		
5.2.c. It begins on the date the tax was remitted to the state or the due date of the tax return, whichever is later.	No		
5.2.d. It begins on the date the customer returns the product (such as a rescission of sale) to the seller and receives the refund from the seller.	No		
5.2.e. Other - If the state's answers to 5.2.a. – 5.2.d. were all "no", check "yes" and explain when the statute of limitations for a sellers claim begins in the comments section.	Yes	T.C.A. 67-1-1802(a)(1)	A completed claim for refund must be filed within three years from December 31 of the year in which the tax was paid to the Commissioner of Revenue. Statute of limitations for a refund begins on December 31 of the year the tax was paid to the Department.
Disclosed Practice 5.3 - How long is your state's statute of limitations time period for a seller to claim a tax refund on products returned by a customer?			
5.3.a. A three-year statute of limitations (that begins based on the state's response in 5.2) for a seller to make a refund request to the state.	Yes	T.C.A. 67-1-1802(a)(1)	
5.3.b. A four-year statute of limitations (that begins based on the state's response in 5.2) for a seller to make a refund request to the state.	No		
5.3.c. If the answers to both 5.3.a. and 5.3.b., were "no" please indicate "yes" and provide your state's time period for a seller to make a refund request to the state in the comments.			
Disclosed Practice 5.4 - Documentation to Prove Refund of Tax to Customer			
5.4 Will your state accept the seller's electronic sales receipts that identify the product purchased, the date purchased, the tax collected, the product returned, the date refunded and the tax refunded to the customer to prove that a customer paid tax?	No	Rule 1320-05-01-.50, Rule 1320-05-01-.79	The documentation must clearly identify the purchaser in addition to the product purchased, purchase date, tax collected, return date, product returned, refund date, and price and tax refunded. Cash receipts, register tapes or other forms of receipts or invoices that do not identify the purchaser cannot be accepted.
Disclosed Practice 5.5 - How does a seller obtain a refund of tax refunded to their customer? (Credit on Current Tax Return, Subsequent Tax Return or Refund Claim)			

5.5.a. Does your state allow a seller to take a credit (or net) on its tax return to report the original sale if the product was returned prior to the seller filing that tax return? If this is required, note that in comments section.	Yes	T.C.A. 67-6-507(c)	
5.5.b. Subject to the state's statute of limitations, does your state allow a seller to take a credit (or net) during the reporting period when the product was returned if the product is returned in a different reporting period than the original sale? If this is required, note that in comments section.	Yes	T.C.A. 67-6-507(c)	
5.5.c. Subject to the state's statute of limitations, does your state allow the seller to file an amended tax return and/or refund claim when the product is returned after the seller filed its tax return to the state to report the original sale? If this is required, note that in comments section.	Yes	T.C.A. 67-6-507(c)	Tennessee would prefer the seller claim the credit on its sales and use tax return for the reporting period in which the customer is refunded. However, a claim for refund may be filed if the business is closed.
Disclosed Practice 5.6 - May the seller process the refund and additional charges in one transaction on a single invoice?			
5.6.a. Does your state allow the seller to obtain a refund from the state if the seller subtracts from the original sales price any charges imposed by the seller to make a return (understanding the tax must be collected on any taxable charges)? If your state has exceptions note those exceptions in the comments section.	Yes	Rule 1320-05-01.79	Seller must refund the tax collected to the purchaser. A seller's records must show that customers have been refunded the Tennessee sales or use tax, or that they have been given credit for such Tennessee tax.
5.6.b. If the answer to 5.6.a. was "no," does your state allow the seller to obtain a refund from the state if it provides a full refund, including the tax, but subsequently imposes any service charges (and imposing any applicable tax) to the customer as a separate transaction on a separate invoice?	Yes		
Disclosed Practice 5.7 - Taxability of Return Fees			
5.7.a. Does your state impose tax on restocking fees or return fees that are not directly associated with the use of a returned product?	No		Tennessee does not impose sales tax on restocking fees.
5.7.b. Does your state impose a sales tax on a charge for the use (e.g. wear and tear) of a product?	Yes	T.C.A. 67-6-507(c)	Seller is only entitled to a credit for the amount of the purchase price and the tax thereon that is refunded to the purchaser.
Disclosed Practice 5.8 - Cash/Credit Refund versus Store Credit			

5.8 Does your state treat the refund in the form of store credit the same as a cash refund for returned products?	Yes		
Disclosed Practice 5.9 - Simultaneous Return and Sale			
5.9.a. Does your state allow the seller to only collect and remit the additional tax on the price difference of a returned product when the replacement product costs more? If no, explain in the comments section.	Yes	Rule 1320-05-01-.79	A seller's records must show that customers have been refunded the Tennessee sales or use tax, or that they have been given credit for such Tennessee tax. The sellers records must show the refund of the full amount of tax and additional charge for the correct full amount of tax for additional purchases.
5.9.b. Does your state allow the seller to obtain a refund from the state for the price difference of a returned product when the replacement product costs less? If no, explain in the comments.	Yes	T.C.A. 67-6-507(c)	
Disclosed Practice 5.10 - Refund Pending State Approval			
5.10.a. Will your state refund or credit a seller for tax erroneously collected and remitted to the state prior to the seller refunding the customer the tax if the seller does not have a written agreement to refund the tax to the customer?	No	T.C.A. 67-1-1802, Rule 1320-05-01-.79	Sales or use taxes which were collected from or passed on to customers by the taxpayer shall not be refunded to the seller, unless the seller has refunded or credited the sales or use tax to its customers.
5.10.b. If you answered "no" to disclosed practice 5.10.a., if the seller has a written agreement that it will refund the tax to the customer if the state approves the refund, will your state refund or credit a seller for tax erroneously collected and remitted to the state prior to the seller refunding the customer the tax?	No	T.C.A. 67-1-1802, Rule 1320-05-01-.79	The taxpayer may issue a credit memo to the customer with the understanding that the customer will not use the credit memo until the refund claim has been approved and refunded.
5.10.c. Does your state require the seller to refund the tax to the customer prior to obtaining a refund from the state?	Yes	T.C.A. 67-1-1802, Rule 1320-05-01-.79	
Disclosed Practice 5.11 - Seller Refund When Customer Did Not Pay Tax			
5.11 Can the seller, who remitted the tax to the state, obtain a refund of the tax paid to the state if the customer refuses to pay the tax because the customer correctly asserted the transaction was exempt under the state's laws?	Yes	T.C.A. 67-1-1802, Rule 1320-05-01-.79	If the customer gave the seller an exemption certificate after the seller remitted the tax with its return, the seller must submit a copy of the exemption documentation, invoice, and credit memorandum adjusting the customer's account.
Disclosed Practice 5.12 - Returned Product to Seller in Another State			

5.12 The customer has the original sales receipt indicating your state's tax was charged. If the product is returned in another state, will your state allow the seller to claim the refund of the tax paid to your state?	Yes	T.C.A. 67-1-1802, Rule 1320-05-01-.79	A seller's records must show that customers have been refunded the Tennessee sales or use tax, or that they have been given credit for such Tennessee tax.
Disclosed Practice 5.13 - Returned Product to Seller in Another Local Jurisdiction Within the Same State			
5.13 The customer has the original sales receipt indicating the tax was charged for a local jurisdiction in your state. The product is returned in your state in a different local jurisdiction. Does your state require the seller to claim the refund of the tax paid to the original local jurisdiction?	No	T.C.A. 67-6-507(c)	The seller may claim the credit on sales and use tax return for the Tennessee location accepting the returned merchandise and refunding the customer.
Disclosed Practice 5.14 - Returned Product with No Receipt			
5.14 If a seller refunds tax to a customer, without a receipt, using the tax rate at the store where the return was made and the price of the returned product at the store at that time, will your state allow the seller to receive a refund or credit of this tax from the state? Note in the comments section any special documentation the seller needs to provide the state.	Yes	T.C.A. 67-6-507(c)	The documentation must clearly identify the purchaser's name and address in addition to the return date, product returned, refund date, and price and tax refunded. Cash receipts, register tapes, or other forms of receipts or invoices that do not identify the purchaser cannot be accepted.
Disclosed Practice 5.15 - Customer Directly Filing for a Refund			
5.15.a. Does the state give customers the option to request a tax refund directly from the state (i.e., the customer is not required to make the request through the seller)? Note any special requirements that may apply, such as minimum dollar thresholds, in the comment section.	No	T.C.A. 67-1-1802, Rule 1320-05-01-.79	Not an option for customers. Certain exemptions/refunds related to; pollution control, certified green energy production facilities, and refunds where an individual paid the use tax directly to a County Clerk may be obtained directly from the Department of Revenue. If the refund claim is $2,500 or greater and the seller will not refund the sales tax to the customer after 2 requests, the customer may request a refund directly from the Commissioner of Revenue. See T.C.A. 67-1-1802(e) for details.
5.15.b. If the answer to disclosed practice 5.15.a. was "no," does the state allow a customer to obtain a tax refund from the state when the seller cannot be found or refuses to refund the tax to a customer? If "yes", provide details in the comment section.	Yes	T.C.A. 67-1-1802	If the refund claim is $2,500 or greater and the seller will not refund the sales tax to the customer after 2 requests, the customer may request a refund directly from the Department of Revenue. Otherwise, refunds can only be made to parties paying the tax directly to the Commissioner of Revenue. See T.C.A. 67-1-1802(e) for details.
Disclosed Practice 6 - Voluntary Disclosure Agreement (VDA)			

Instructions: For each of the scenarios below, indicate whether registration to collect and remit sales and use taxes with your state adversely affects a VDA.			
If You Answered Yes, Describe the Adverse Affect on the VDA. Add Additional Comments if Desired.	**Does Your State Follow this Practice?**	**Statute/Rule Cite**	**Comment**
6.1.a. A seller's registration prior to the seller (or its representative) submitting the state's voluntary disclosure agreement (VDA) application will adversely affect the seller's VDA with the state.	Yes		The Department must not have contacted the taxpayer concerning the previous tax liability. Contact could include an inquiry letter or phone call from an auditor to set up an appointment. Taxpayer must not be registered for the tax type that is the subject of the agreement.
6.1.b. A seller's registration after the seller (or its representative) submits the state's voluntary disclosure agreement (VDA) application, but before either the seller or the state signs the actual VDA will adversely affect the VDA with the state.	Yes		
6.1.c. A seller's registration after the state signs the actual voluntary disclosure agreement (VDA) but before the seller signs the VDA will adversely affect the VDA.	Yes		
Disclosed Practice 7 - Classification of Medical Products in Appendix L Identified as "Not Classified by SSTGB"			
Instructions: States may classify one or more of the "Not Defined" products listed in Appendix L under one of the SSUTA definitions or a state-specific definition, other than "tangible personal property."			
	Does Your State Follow this Practice?	**Statute/Rule Cite**	**Comment**
Disclosed Practice 7 - Classification of Medical Products in Appendix L Identified as "Not Classified by SSTGB"			
7.1 Does the state classify any of the items listed below in Medical Products Disclosed Practice 7.2 as clothing, drugs, durable medical equipment, mobility enhancing equipment, over-the-counter drugs, prosthetic devices, or under a different state-specific definition (other than tangible personal property)? If yes, see Medical Products Disclosed Practice 7.2 for the classification. If no, Medical Products Disclosed Practice 7.2 does not need to be completed.	No	N/A	Tennessee follows Appendix L, Healthcare Products List, and does not have any other specific defined medical terms. Products that are not defined using streamlined terms are either taxable as tangible personal property or there is a separate exemption for the product.

7.2 Answer No if the item is not classified under any of the terms listed in Medical Products Disclosed Practice 7.1 or a state-specific defined term (other than tangible personal property).

Answer Yes if the item is classified under one of those terms, provide the appropriate "Statute/Rule Cite" and indicate in the "Comment" column the defined term under which the item is classified.

These tax administration practices identify how each state classifies the products identified as "Not Classified by SSTGB" in Appendix L, but do not indicate the taxability of those products.

Product	SSUTA Defined or State Defined Term	Statute/Rule Cite	Comment (if applicable, indicate defined term under which the item is classified)
7.2.a Air purifier			
7.2.g Collection bags - Body fluid collection (For collection and sending to lab for testing)			
7.2.b Bed pads - Disposable - for incontinent patients (Disposable pad placed on beds to keep sheets dry and wick moisture away from the patient. Used for incontinent patients.)			
7.2.h Denture adhesive			
7.2.c Blankets - Other than baby receiving blankets			
7.2.i Dialysis Bags - Peritoneal Dialysis Drain			
7.2.d Breast pumps (See Reference #s 52500-52512)			
7.2.j Dialyzers - Single Use (A dialyzer is an artificial kidney designed to provide controllable transfer of solutes and water across a semi permeable membrane separating flowing blood and dialysate streams. The transfer processes are diffusion (dialysis) and convection (ultrafiltration). There are three basic dialyzer designs: coil, parallel plate, and hollow fiber configurations. Filter that is incorporated in machine.)	State Defined	T.C.A. 67-6-314(4)	
7.2.e Closed caption devices			
7.2.k Dressings - Compression - Non Medicated (Ace Bandages)			
7.2.f Cold packs and Hot packs (reusable)			

7.2.l Dressings - Elastic - Non Medicated (Non-Ace bandages to hold dressings)			
7.2.m Dressings - Gauze Wraps (Tube gauze, Gauze Wraps)			
7.2.n Dressings - General (Pads, sponges, tapes and adherents, elastic, compression, gauze)			
7.2.o Dressings - Non-Medicated (Dressings containing a substance which is neither a RX or OTC drug)			
7.2.p Dressings - Wound Care - Skin Barrier Products (Sprays, cream)			
7.2.q Eating utensils - Adjustable			
7.2.r ECG Monitor - Implanted			
7.2.s Fever thermometers - Disposable/SPU			
7.2.t Gases - Non-Medical Grade			
7.2.u Gases - Tanks for (Empty - Tanks only)			
7.2.v Glucose for Insulin Reactions (Tablets, liquid)			
7.2.w Infuser Bags (Pressure Infuser bags - used to administer intravenous fluids under pressure at any angle to patients in pre-hospital or emergency room settings - Disposable)			
7.2.x IV Therapy arm boards-Disposable			
7.2.y IV Therapy Tourniquets - SPU (Disposable)			
7.2.z Laboratory equipment (Microscopes, incubators, refrigerators, centrifuges)			

7.2.aa Medical atomizers - Disposable (An atomizer that gives controlled delivery of topical anesthetics and other drugs. Used primarily for nasal or oral drug delivery. This version of atomizers is disposable.)			
7.2.ab Medical Instruments - Disposable (Clamps, drills, endolinear cutter, forceps, retractors, scalpels, reamers, scissors, trocar)			
7.2.ac Nasal strips (Flexible spring like band that fits above the nostrils and lifts the sides of the nose when they try to straighten back to their original shape.)			
7.2.ad Needleless Drug Delivery System - Injection Guns (Disposable)			
7.2.ae Needles - Wound Closure - Suturing (Disposable)			
7.2.af Needles & Syringes - Acupuncture needles (Reusable)			
7.2.ag Needles & Syringes - Needles - Aspirating			
7.2.ah Needles & Syringes - Needles - Biopsy			
7.2.ai Needles & Syringes - Needles - Blood Draw/Access			
7.2.aj Needles & Syringes - Needles - Hypodermic			
7.2.ak Needles & Syringes - Needles - Hypodermic - Insulin	State Defined	T.C.A. 67-6-314(7)	
7.2.al Needles & Syringes - Needles - Not Inject/Drain (Parts to machines)			
7.2.am Needles & Syringes - Needles/Syr Pckgd Tog			

7.2.an Needles & Syringes - Syringe - Cannula Package (Interlink System -- Separate Needle-less infusion device from IV sets - Stand alone items)			
7.2.ao Needles & Syringes - Syringes			
7.2.ap Needles & Syringes - Syringes - Insulin	State Defined	T.C.A. 67-6-314(7)	
7.2.aq Needles & Syringes - Syringes - Not Inject/Drain (Irrigation (Toomey), oral and ear)			
7.2.ar Ostomy - Barriers (Barrier prep wipes, barrier powder)	State Defined	T.C.A. 67-6-314(10)	
7.2.as Ostomy - Cleaners / Skin Prep (Skin prep peri-wash, ostomy cleanser, cleanser deodorants, adhesive remover)	State Defined	T.C.A. 67-6-314(10)	
7.2.at Ostomy - Lubricants (Lubricants, lubricant jelly, stoma lubricant)	State Defined	T.C.A. 67-6-314(10)	
7.2.au Paraffin wax (Wax used in paraffin baths. Paraffin heat therapy provides moist heat to warm joints tissue and skin. Used in the treatment of arthritis and joint injuries.)			
7.2.av Physical Therapy -Equipment & Tools (Exerbands, weights, bikes, treadmills, rowers, parallel bars from #212)			
7.2.aw Resuscitators - Disposable			
7.2.ax Safety equipment (Goggles, shields)			
7.2.ay Seat Cushions - Comfort (General use cushions that do not primarily and customarily serve a medical purpose.)			
7.2.az Sitz bath			

7.2.ba Skin closures (These are called butterfly bandages, steri-strips, cover strips, or suture strips and are variations of sterile adhesive skin closures designed to hold the edges of a skin wound together.)			
7.2.bb Spas, hot or cold (Spas which are available for sale to the general public and not specifically manufactured for medical purposes.)			
7.2.bc Staple Remover - Wound Closure (Disposable)			
7.2.bd Stapler - Empty - one Use Only			
7.2.be Sterilizers - Chemical			
7.2.bf Suction Catheter (This catheter is used for the removal of respiratory tract secretions. The catheter is inserted through tracheal and tracheostomy tubes. Four eyes at the catheter's tip serve as vacuum breakers to help prevent tissue from being pulled into the tube. Since suctioning removes the patient's air supply, suction should not exceed 10 seconds duration. Suction catheters are intended for single use only.)			
7.2.bg Therapy - Cold (Cold compression)			
7.2.bh Therapy - Heat (Heat warmers)			
7.2.bi Tongue depressors			
7.2.bj Transducer gel			
7.2.bk Venous blood sets			
7.2.bl Visually Impaired Supplies & Equipment - Other			
7.2.bm X-Ray developer solution			

7.3 For each of the items listed below, indicate yes if the state classifies the item as an oral healthcare product for human use.

If no indicate in the Comment column if the state classifies the item as grooming and hygiene products or tangible personal property.

Product	SSUTA Defined or State Defined Term	Statute/Rule Cite	Comment (if applicable, indicate defined term under which the item is classified)
7.3.a Mouthwash		N/A T.C.A. 67-6-102(47)	Mouthwash is included in the definition of 'Grooming and hygiene products'
7.3.b Toothpaste		N/A, T.C.A. 67-6-102(47)	Toothpaste is included in the definition of 'Grooming and hygiene products'

Collection and Remittance Requirements Related to Remote Sellers, Marketplace Sellers, and Marketplace Facilitators/Providers from Appendix E of the SSUTA. NOTE: Additional explanatory information and examples can be found in Appendix E of the SSUTA.

Unless otherwise specified, Disclosed Practice 8 only applies to the states' sales and use tax laws, and not to other taxes or other regulatory registration requirements.

(These tax administration practices address how a member state administers its sales and use tax economic nexus, remote seller, and marketplace facilitator/provider statutes. The United States Supreme Court (SCOTUS) ruled in South Dakota v. Wayfair on June 21, 2018, that states can require sellers to collect and remit sales or use tax on sales delivered to locations within their state even if the seller does not have a physical presence in the state.)

Unless otherwise noted, States should answer every disclosed practice question/statement.

Disclosed Practice 8 - Remote Sellers, Marketplace Sellers, and Marketplace Facilitators/Providers

Disclosed Practice 8.1 – Remote Sellers

State Guidance for Remote Sellers

If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment

Definition:
For purposes of Disclosed Practice 8.1.a

"Remote Seller" is a seller that does not have any physical presence in a state (no property or employees) but who sells products or services for delivery into that state. This definition applies unless otherwise described in the following questions.

A remote seller includes a "marketplace seller" that does not have a physical presence in the state.

(Note: A state may allow a seller to have limited physical presence in the state and still treat the seller as a remote seller as provided in (A) and (B).)

(A)(1) Inventory Controlled by 3rd Party (A) (1) The State still treats a seller as a "Remote Seller" if the seller's only physical presence in the state is inventory owned by that seller that is in a third party's warehouse which the seller does not control (e.g., Marketplace Facilitator/Provider controls the movement of inventory). (Note, the exception in (A)(2) and/or (B) may also apply.)	No		
(A)(2) Inventory Seller Controls (A)(2) The State still treats a seller as a "Remote Seller" if the seller's only physical presence in the state is inventory owned by that seller that is in a third party's warehouse and the seller controls the movement of the inventory. (Note, the exception in (A)(1) and/or (B) may also apply.)	No		
(B) Employees (B) The State still treats a seller as a "Remote Seller" if the seller's only physical presence in the state is an employee that is not involved in making sales. If for purposes of Disclosed Practice 8.1.(B) the State distinguishes between retail and wholesale sales, the State will indicate it in the Comment column. (Note, the exception in (A) may also apply.)	Yes		

(C)(1) – Attendance at Events (Trade show, conferences, or other similar events), but not an Exhibitor at the Event (C)(1) A. The state still treats the seller as a “Remote Seller” if the seller’s only physical presence in the state is merely attending an event without soliciting sales. If the answer depends on the number of days or events the remote seller attends merely as an attendee (or other conditions solely related to the seller attending an event as an attendee that could impact seller’s remote seller status), indicate “No” and provide a comment in the Comment column indicating the conditions or number of days or events and the measurement period, which if exceeded, will cause the seller to lose its remote seller status. If yes, the state still treats the seller as a “Remote Seller” regardless of the number of days or events the remote seller attends merely as an attendee.	Yes		
B. The state still treats the seller as a “Remote Seller” if the seller’s only physical presence in the state is attending an event and soliciting sales. If the answer depends on the number of days or events the remote seller attends as an attendee and solicits sales (or other conditions solely related to the seller attending an event as an attendee and soliciting sales that could impact seller’s remote seller status), indicate “No” and provide a comment in the Comment column indicating the conditions or number of days or events and the measurement period, which if exceeded, will cause the seller to lose its remote seller status. If yes, the state still treats the seller as a “Remote Seller” regardless of the number of days or events the remote seller attends and solicits sales at such events.	Yes		

(C)(2) –Exhibitor at Events (Trade show, conferences, or other similar events) At which No orders are taken, and No Sales are Made (C)(2)The state still treats the seller as a "Remote Seller" if the seller's only physical presence in the state is as an exhibitor with a booth at an event at which sales may be solicited but no orders are taken, and no sales are made. If the answer depends on the number of events or days the remote seller is at an event(s) as an Exhibitor during the measurement period or if the state has any other conditions, the state should indicate "No" and provide a comment in the Comment column indicating the number of events, days and/or other conditions, including soliciting sales, in the measurement period which will cause the seller to lose its remote seller status. If yes, the state still treats the seller as a "Remote Seller" regardless of the number of events or days the remote seller can exhibit at the event at which sales may be solicited but where no orders are taken, and no sales are made.	Yes		
(C)(3) –Exhibitor at Event (Trade show, conferences, or other similar events) At which Sales are Made (C)(3) A. Seller/Exhibitor Responsible for Tax Collection at the Event - 1.Except for sales made at an event, the state still treats the seller as a "Remote Seller" if the seller's only physical presence in the state is as an exhibitor at an event at which the exhibitor makes sales. If the answer depends on conditions or the number of days or events within the measurement period the remote seller is at an event(s) as an Exhibitor making sales, indicate No and provide a comment in the Comment column indicating the conditions or limit to number of days or events, which if exceeded, will cause the seller to lose its remote seller status. If yes, the only requirement should be collecting tax for sales made at the event. If no, seller is not a Remote Seller and is required to collect tax for sales made at the event and any sale made into the state after the event. Skip to B.	Yes		

2. Is the remote seller required to obtain a special event or temporary permit for sales made at the event? If yes, indicate in the Comment column the type of permit required.			Special Events Form Revenue Support Article on Special Events
B. Promoter Responsible for Tax Collection at the Event - Except for sales made at an event, the state still treats the seller as a "Remote Seller" if the seller's only physical presence in the state is as an exhibitor at an event at which the exhibitor makes sales and the event promoter is responsible for the remittance of tax on sales. If the answer depends on conditions or the number of days the remote seller is at an event(s) as an Exhibitor making sales which the promoter reports, indicate No and provide a comment in the Comment column indicating the conditions or number of days, which if exceeded, will cause the seller to lose its remote seller status. If yes, the state still treats the seller as a "Remote Seller" regardless of the number of days or other conditions the remote seller can exhibit and make sales at such events.	No		
8.1.a.i. The State's Remote Seller monetary economic nexus threshold is "$100,000" (i.e., either $100,000 or more" or "more than $100,000"). (Definition of "type of products" subject to the threshold calculation is addressed in 8.1.b.) If "Yes", indicate in the Comment column if the State's monetary economic nexus threshold is: "$100,000 or more" or "More than $100,000". If "No", indicate in the Comment column the dollar amount of the State's monetary economic nexus threshold and whether it is: "$X or more" or "More than $X". If the state does not have a monetary economic nexus threshold, indicate "No Threshold".	Yes	T.C.A. 67-6-524(b)	Tennessee's economic nexus threshold is "more than $100,000" in sales, excluding sales for resale, to consumers in Tennessee. See Important Notice 20-14

Disclosed Practice 8.1.b. – What Type of Products Does the State Include in its Economic Nexus Threshold Calculation?

Disclosed Practice 8.1.b.i. The State includes sales of all types of products (e.g., sales of tangible personal property, sales of digital good, sales of services) in its economic nexus threshold calculation. If no, indicate in the Comment column which types of product sales are included in the state's economic nexus threshold. (Note: For purposes of these disclosed practices, the sales of the types of products identified in 8.1.b. are the sales to be considered when computing the state's economic nexus threshold(s).)	Yes	T.C.A. 67-6-501(a)	
Disclosed Practice 8.1.c. - How is the State's Remote Seller Monetary Economic Nexus Threshold Calculated? – Only one answer should be "yes".			
8.1.c.i. - GROSS The State's Remote Seller monetary economic nexus threshold is based on GROSS sales, gross revenue or gross receipts from all sales.	No		
8.1.c.ii. - RETAIL The State's Remote Seller monetary economic nexus threshold is based only on RETAIL sales (only excludes sales for resale).	Yes	T.C.A. 67-6-524(b)	See Important Notice 20-14
8.1.c.iii. - TAXABLE The State's Remote Seller monetary economic nexus threshold is based only on TAXABLE sales (all sales that are taxable).	No		
8.1.c.iv. - OTHER The State calculates the monetary economic nexus threshold based on something other than Gross, Retail or Taxable sales. Indicate in the Comment column what your state's monetary economic nexus threshold is based on.	No		
Disclosed Practice 8.1.d. - What is the State's Remote Seller Transactional Economic Nexus Threshold?			
Best Practice for 8.1.d. - States do not have a transactional economic nexus threshold.			

8.1.d.i. The State’s Remote Seller transactional economic nexus threshold is “200” (i.e., either“200 or more” or “more than 200”) separate transactions. (What constitutes a “transaction” is explained in 8.1.e and 8.1.f) If “Yes” - Indicate in the comments if transactional threshold is: “200 or more transactions” or “More than 200 transactions”. If “No” – Indicate in the Comment column the State’s transactional economic nexus threshold and whether it is: “X transactions or more” or “More than X transactions” If the State does not have a transactional economic nexus threshold indicate ”No Threshold” in the Comment column.	No	T.C.A. 67-6-524(b)	N/A, Tennessee does not have a transactional economic nexus threshold.
Disclosed Practice 8.1.e. - Which Transactions Are Used to Determine if a Seller Has Met a State’s Transactional Economic Nexus Threshold?			
8.1.e.i The State’s Remote Seller transactional economic nexus threshold is calculated using the same transactions that are used to calculate the State’s monetary economic nexus threshold (gross, retail or taxable) as indicated in Disclosed Practice 8.1.b.	No	T.C.A. 67-6-524(b)	N/A, Tennessee does not have a transactional nexus threshold.
Disclosed Practice 8.1.f. - For Purposes of Computing the State’s Transactional Economic Nexus Threshold, what is Considered a “Transaction”? Only one answer should be “Yes” for i., ii., or iii.			
8.1.f.i. The State’s Remote Seller transactional economic nexus threshold is based on the number of invoices.	No		N/A
8.1.f.ii. The State’s Remote Seller transactional economic nexus threshold is based on the number of orders placed, regardless of whether multiple invoices or shipments are used to fulfill each order placed (e.g., if a single order is placed but it is delivered in three (3) separate shipments, it is considered one (1) transaction).	No		N/A

8.1.f.iii. The State's Remote Seller transactional economic nexus threshold is based on the quantity of items sold (each item on a single invoice is considered a separate transaction (e.g., a prepackaged box of the same product is one item (box of 12 pencils); however, multiple purchases of the same product are separate items (12 individual pencils)).	No		N/A
8.1.f.iv. An invoice that includes items to be delivered into multiple states is considered a transaction in this State if any of the items on the invoice are delivered into this State.	No		N/A
Disclosed Practice 8.1.g. – Transaction with Multiple Payments			
8.1.g.i. A transaction that requires multiple payments (e.g., monthly payments) is considered one transaction for purposes of the State's Remote Seller transactional economic nexus threshold (i.e., each payment is not considered a separate transaction).	No		N/A
Disclosed Practice 8.1.h. – Does a Remote Seller who makes sales through a Marketplace Facilitator/Provider need to include the sales made through the marketplace in determining if it meets a state's economic nexus threshold?			
8.1.h.i. A Remote Seller shall include its sales made through a Marketplace Facilitator/Provider that is registered in the State when determining if it meets or exceeds the state's economic nexus threshold.	No	T.C.A. 67-6-501(g)	See Important Notice 20-15
8.1.h.ii. A Remote Seller shall include its sales made through a Marketplace Facilitator/Provider that is not registered in the State when determining if it meets or exceeds the state's economic nexus threshold.	Yes	T.C.A. 67-6-501(g)	See Important Notice 20-15
Disclosed Practice 8.1.i. - What period of time does the State base its a remote seller economic nexus threshold on? – Only one answer should be yes.			

8.1.i.i. - EITHER CURRENT or PREVIOUS YEAR The State's economic nexus threshold is based on a Remote Seller exceeding the threshold in either the previous calendar year or current calendar year.	No		
8.1.i.ii. - ONLY PREVIOUS YEAR The State's economic nexus threshold is based on a remote seller exceeding the threshold only in the previous calendar year.	No		
8.1.i.iii. - OTHER The State's economic nexus threshold is based on a different period of time. (Provide the basis in the Comment column.)	Yes		The economic nexus threshold is based on a dealer making sales that exceed $100,000 to consumers in Tennessee in the previous twelve-month period. See Important Notice 20-14
Disclosed Practice 8.1.j. – When does the State require a remote seller to register and begin collecting and remitting the applicable tax? – Only one answer should be yes. **A Remote seller who has met the economic nexus threshold in a state but has not made any taxable sales into that state, should review DP 8.1.n for exceptions.**			
Best Practice for 8.1.j. - A Remote Seller is required to register and begin collecting and remitting the tax no sooner than the first day of the first calendar month that begins 30 days after meeting or exceeding the state's threshold.			
8.1.j.i. The State requires a Remote Seller to register, collect and remit the tax on the next transaction after meeting or exceeding the threshold.	No		
8.1.j.ii. The State requires a Remote Seller to register, collect and remit the tax by no later than the first day of the first calendar month that begins at least X days after meeting or exceeding the threshold. Indicate in the Comment column the number of days after the threshold is met that the seller is required to register and begin collecting and remitting the tax.	No		
8.1.j.iii. Other. If the State's answer to 8.1.j.i and j.ii is "no" indicate in the Comment column when a Remote Seller must register and begin collecting and remitting the tax.	Yes	T.C.A. 67-6-524(b)	The remote seller is required to register on the first day of the third calendar month following the month in which the threshold was met. See Important Notice 20-14

Disclosed Practice 8.1.k. - When is a remote seller who falls below a state's economic nexus threshold allowed to stop collecting and remitting the tax?			
8.1.k.i. A Remote Seller that falls below the State's Remote Seller economic nexus threshold(s) during the measurement period (See 8.1.i.) may cancel its registration or request inactive status any time after the measurement period ends. If yes, indicate in the Comment column if the remote seller can: Cancel the registration, or Request inactive status. If the answer is no, indicate in the Comment column when a Remote Seller can cancel their registration or request inactive status.	Yes		The remote seller may close its sales and use tax registration account (provide a cease date in TNTAP) when the remote seller no longer collects the tax because the remote seller no longer meets the Tennessee economic nexus threshold and has no physical presence in Tennessee. Once closed, the Tennessee resale certificate will no longer be valid for future purchases for resale.
Disclosed Practice 8.1.l. – What Type of Permit Does a Remote Seller Apply For? – Only one answer should be yes.			
8.1.l.i. The State requires a Remote Seller to register to collect sales tax.	No		
8.1.l.ii. The State requires a Remotes Seller to register to collect (seller's) use tax.	No		
8.1.l.iii. The State requires a Remote Seller to register under a single registration to collect both sales and (seller's) use tax.	Yes	T.C.A. 67-6-524(b)	
8.1.l.iv. The State allows a Remote Seller to register to collect either a sales or (seller's) use tax. If yes, please explain in Comment column any special circumstances.	No		
Disclosed Practice 8.1.m. Can a Remote Seller that is not registered or required to be registered in any State provide an exemption certificate claiming sale for resale to a Seller located in this state and can that Seller accept that exemption certificate? More information on a state's acceptance of an exemption certificate is available at: [Exemptions (streamlinedsalestax.org)]			

8.1.m.i. A Remote Seller that is not registered or required to be registered in any State can provide an exemption certificate to a Seller in this State claiming a sale for resale for those items the Remote Seller will resell, and the Seller in this State may accept such exemption certificate. If yes, indicate in the Comment column what identification number, if any, the Remote Seller is required to put on the certificate?	Yes	T.C.A. 67-6-102(88), Rule 1320-05-01-.62, Rule 1320-05-01-.29(2), Rule 1320-05-01-.68(1) - (3)	An out-of-state dealer (including an out-of-state marketplace seller) that is not registered for sales tax in any state (e.g., home state does not impose sales tax) may provide a Tennessee supplier with a fully completed Streamlined Sales and Use Tax Exemption Certificate including a tax ID number for another tax type (e.g., business tax or excise tax) issued by its home state or its federal ID number (FEIN).
8.1.m.ii. A Remote Seller that is not registered or not required to be registered in any State purchasing items for resale from a third-party supplier (drop shipper) who will deliver the items to the Remote Seller's customer located in this State can issue an exemption certificate claiming resale and the third-party supplier (drop shipper) can accept such exemption certificate. See SSUTA Sec. 317.A.8 for Drop Shipment requirements. If yes, indicate in the Comment column what identification number, if any, the Remote Seller is required to put on the exemption certificate.	Yes	T.C.A. 67-6-102(88), Rule 1320-05-01-.62, Rule 1320-05-01-.29(2), Repeal eft. 01-10-2022 of Rule 1320-05-01-.96	Rule 1320-05-01-.96 was repealed eft. 01-10-2022. Other state resale certificates may be accepted by Tennessee suppliers for goods drop shipped to out-of-state dealer's Tennessee customers. A Tennessee supplier may accept a resale certificate issued by another state or a fully completed Streamlined Sales and Use Tax Exemption Certificate that includes the tax ID number issued by the other state, or in the case of a foreign seller, a tax ID number issued by its home country to make drop shipped sales for resale without tax. See Important Notice 22-01
Disclosed Practice 8.1.n. If your state bases your economic nexus threshold calculation on gross sales or retail sales in DP 8.1.c, does your state require a remote seller that meets the economic nexus threshold in your state but does not have any taxable sales in your state to register and file? **Note: States that base their calculation of economic nexus threshold on "taxable" sales in DP 8.1.c, do not answer DP 8.1.n.**			
8.1.n.i. The State requires a remote seller to register and file as provided in DP 8.1.j. If yes, go to the next DP. If no, go to DP 8.1.n.ii.	Yes	T.C.A. 67-6-524(b)	See Important Notice 20-14
8.1.n.ii. The State requires a remote seller who has met the economic nexus threshold but has not made any taxable sales to register as provided in DP 8.1.j. however, the remote seller is not required to collect and file until the remote seller makes a taxable sale. If yes, go to DP 8.1.n.ii.A. If no, go to DP8.1.n.iii.	No		

8.1.n.ii.A. When does the State require a remote seller described in 8.1.n.ii. to begin collecting tax and filing after it makes its first taxable sale?			
8.1.n.ii.A.1 Immediately upon making the first taxable sale.	No		
8.1.n.ii.A.2. After meeting the period of time provided in DP 8.1.j. after making its first taxable sale.	Yes	T.C.A. 67-6-524(b)	The remote seller is required to register on the first day of the third calendar month following the month in which the threshold was met. See Important Notice 20-14
8.1.n.iii. The State does not require a remote seller to register, collect or file as provided in DP 8.1.j. until the remote seller makes a taxable sale. If yes, go to DP 8.1.n.iii.A.	No		
8.1.n.iii.A. When does the State require a remote seller to register and collect tax after it makes its first taxable sale?			
8.1.n.iii.A.1 Immediately upon making the first taxable sale.	No		
8.1.n.iii.A.2. After meeting the period of time provided in 8.1.j. after making its first taxable sale.	Yes	T.C.A. 67-6-524(b)	The remote seller is required to register on the first day of the third calendar month following the month in which the threshold was met. See Important Notice 20-14
Disclosed Practice 8.1.o. - If your state has eliminated the transactional economic nexus threshold, what is the earliest date a remote seller who does not meet or exceed your monetary economic nexus threshold but had met the transactional economic nexus threshold in the measurement period may cancel their registration?			
8.1.o.i. Has your state eliminated its transactional economic nexus threshold? If yes, indicate in the Comments column the effective date and go to DP 8.1.o.ii If no, go to the next DP.			

8.1.o.ii. Can a remote seller that does not meet or exceed the monetary economic nexus threshold but had met the transactional economic nexus threshold in the measurement period prior to the elimination of the transactional threshold? A. Cancel its registration? If yes, indicate in the Comments column what is the earliest date the remote seller may cancel its registration. B. Request inactive status? If yes, indicate in the Comments column what is the earliest date the remote seller may request inactive status.			
Disclosed Practice 8.1.p. – Registration with Secretary of State (or equivalent state agency)			
8.1.p. Is a Remote Seller required to register with the Secretary of State (or equivalent state agency) as a condition of obtaining a sales tax permit?	Yes		
Disclosed Practice 8.1.q. – Consumer Use Tax			
8.1.q.i. Does a Remote Seller who is registered to collect tax on sales, have an obligation to remit consumer's use tax on its own property delivered into the state, such as catalogs, give aways or samples if said property is taxable? If yes, go to a. and b. If no, skip to DP 8.2	Yes		
8.1.q.i.a. A remote seller who is registered to collect tax on sales is required to separately register to report tax due on its own taxable property delivered into the state.	No		

8.1.q.i.b. A remote seller who is registered to collect tax on sales is required to report tax due on its own taxable property delivered into the state on a separate return from the return on which the tax on sales is reported.	No		
Disclosed Practice 8.2 – Marketplace Sellers			
[State Guidance for Marketplace Sellers](#)			
[Note: Most States enacted laws related to Marketplace Facilitators/Providers that resulted in a Marketplace Seller definition. A "Marketplace Seller" is generally a seller who sells products or services through a physical or electronic marketplace operated by a Marketplace Facilitator/Provider.]			
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	**Does Your State Follow this Practice?**	**Statute/Rule Cite**	**Comment**
8.2.a - Does a State require a Marketplace Seller to register in the state when all sales are made through Marketplace Facilitators/Providers that are registered to collect and remit the tax on behalf of the Marketplace Sellers?			
8.2.a.i. The State requires a Marketplace Seller that is a “Remote Seller” that sells exclusively through Marketplace Facilitators/Providers to register with the State.	No	T.C.A. 67-6-102(59), (60), and (61), 67-6-501(f) and (g)	The marketplace facilitator is collecting and remitting the Tennessee sales or use tax.
8.2.a.ii. The State requires a Marketplace Seller with a physical presence (i.e., not a Remote Seller) that sells exclusively through Marketplace Facilitators/Providers to still register with the State.	Yes	T.C.A. 67-6-601, 67-6-102(59), (60), and (61)	Note, the Tennessee seller will need a Tennessee resale certificate. The Tennessee seller may request alternative filing status (quarterly or annual filing) and file $0 sales on its Tennessee return since it has no direct sales.
Disclosed Practice 8.2.b – Does the State require a Marketplace Seller to include its sales (dollars and transactions) made through a Marketplace Facilitator/Provider in determining if it meets or exceeds the State’s economic nexus threshold?			
8.2.b.i. The State requires a Marketplace Seller to include its sales (dollars and transactions) made through a Marketplace Facilitator/Provider in determining if it meets or exceeds the state’s economic nexus threshold. See Disclosed Practice 8.1.b. for which types of transactions must be included.	No	T.C.A. 67-6-501(g), 67-6-102(59), (60), and (61)	The marketplace facilitator is collecting and remitting the Tennessee sales or use tax. See [Important Notice 20-15](#)

Disclosed Practice 8.2.c – Does the State require a Marketplace Seller that is registered and filing in the State to include its marketplace sales in the total sales reported on its tax return and take a deduction as if the sales are exempt?			
8.2.c.i. The State requires a Marketplace Seller registered and filing in the State to include its sales through a Marketplace Facilitator/Provider on its tax returns. (If yes, explain in Comment column on how the deduction is claimed for such sales.)	No	T.C.A. 67-6-501(g), 67-6-102(59), (60), and (61)	The marketplace facilitator is collecting and remitting the Tennessee sales or use tax. See Important Notice 20-15
Disclosed Practice 8.2.d – Does the State require a Marketplace Seller to maintain exemption documentation only for its direct sales, and not for sales made through a Marketplace Facilitator/Provider?			
8.2.d.i. The State requires a Marketplace Seller to maintain exemption documentation only for its direct sales, and not for sales made through Marketplace Facilitators/Providers.	Yes	T.C.A. 67-6-102(59), (60), and (61), 67-6-501(f) and (g), Rule 1320-05-01-.78, Rule 1320-05-01-.80	The marketplace facilitator is liable for its sales and the marketplace sales it facilitates and is responsible for its own exemption documentation.
Disclosed Practice 8.2.e – Does the State allow a Marketplace Seller to rely upon a customer's exemption documentation for its direct sales, even where the exemption documentation is maintained by a Marketplace Facilitator/Provider?			
8.2.e.i. The State allows a Marketplace Seller to rely upon a customer's exemption documentation for its direct sales even though that exemption documentation is maintained by a Marketplace Facilitator/Provider (e.g., Marketplace Seller has access to the Marketplace Facilitator's/Provider's exemption documentation).	No	T.C.A.67-6-102(59), (60), and (61), 67-6-501(f) and (g), Rule 1320-05-01-.78, Rule 1320-05-01-.80	The marketplace facilitator registered in Tennessee is liable for its sales and the marketplace sales it facilitates. The marketplace seller is liable only for its direct sales. Each of the dealers is required to keep its own books and records to evidence exempt sales.
Disclosed Practice 8.2.f – Can a Marketplace Seller that is not registered or not required to be registered in any State issue an exemption certificate to a Seller located in this State claiming sale for resale and can that Seller accept that exemption certificate?			
8.2.f.i A Marketplace Seller that is not registered or required to be registered in any State can issue an exemption certificate to a Seller located in this State claiming resale for those items the Marketplace Seller will resell and the Seller in this State may accept such exemption certificate. If yes, indicate in the Comment column what identification number, if any, the Marketplace Seller is required to put on the certificate.	Yes	T.C.A. 67-6-601, 67-6-102(61) and (88), Rule 1320-05-01-.29(2), Rule 1320-05-01-.62, Rule 1320-05-01-.68(1) - (3)	Marketplace sellers located in Tennessee must register for sale and use tax in Tennessee even if sales are exclusively made through a marketplace facilitator collecting Tennessee sales or use tax. A Tennessee marketplace seller should have a Tennessee resale certificate. Remote sellers and foreign remote sellers may furnish their vendor with a fully completed Streamlined Certificate of Exemption to claim sales for resale. See 8.1.m.i. above. See Rule 1320-05-01-.29(2).

8.2.f.ii. A Marketplace Seller that is not registered or not required to be registered in this State purchasing items for resale from a third- party supplier (drop shipper) who will deliver the items to the Marketplace Seller's customer located in this State can issue an exemption certificate claiming resale and the third-party supplier (drop shipper) can accept such exemption certificate. See SSUTA Sec. 317.A.8 for Drop Shipment requirements. If yes, indicate in the Comment column what identification number, if any, the Marketplace Seller is required to put on the certificate.	Yes	T.C.A. 67-6-601, 67-6-102(61) and (88), Rule 1320-05-01-.29(2), Rule 1320-05-01-.62, Repeal eft. 01-10-2022 of Rule 1320-05-01-.96	An out-of-state dealer (including an out-of-state marketplace seller) that is not registered for sales tax in any state (e.g., home state does not impose sales tax) may provide a Tennessee supplier with a fully completed Streamlined Sales and Use Tax Exemption Certificate including a tax ID number for another tax type (e.g., business tax or excise tax) issued by its home state or its federal ID number (FEIN). See Important Notice 22-01 See 8.1.m.ii.
Disclosed Practice 8.2.g - Marketplace Seller Liability and Audits			
8.2.g.i. A Marketplace Seller is liable for the tax on sales made through a Marketplace Facilitator/Provider if the Marketplace Seller provides incorrect or insufficient information. (Explain in Comment column if there are exceptions to this rule.)	Yes	T.C.A. 67-6-515(d) 67-6-102(59), (60), and (61)	Marketplace facilitator must demonstrate that it made reasonable effort to obtain correct information from the marketplace seller.
8.2g.ii. The state has a written policy that explains when and how a Marketplace Seller is liable for tax and may be audited on sales made using Marketplace Facilitators/Providers (if yes, provide a reference to the location of the document in the Comment column).	No	T.C.A. 67-6-515(c) 67-6-102(59), (60), and (61)	The commissioner may not audit or assess taxes against marketplace sellers for sales facilitated by the marketplace facilitator except to the extent the facilitator was relieved of liability for incorrect information or pursuant to T.C.A. 67-6-501(f)(1) -(3).
Disclosed Practice 8.2.h – Registration with Secretary of State (or equivalent state agency)			
Is a Marketplace Seller who otherwise does not have a physical presence in the state required to register with the Secretary of State (or equivalent state agency) as a condition of obtaining a sales tax permit?	No		
Disclosed Practice 8.3 - Marketplace Facilitators/Providers			
State Guidance for Marketplace Facilitators/Providers			
Definition: **For purposes of Disclosed Practice 8.3, a Marketplace Facilitator/Provider is generally a person who owns, operates or otherwise controls a physical or electronic marketplace and facilitates Marketplace Seller's sales that the Marketplace Facilitator/Provider either directly or indirectly through contracts, agreements, or other arrangements with third parties, collects the payment from the purchaser and transmits all or part of the payment to the Marketplace Seller.**			

NCSL model definition of Marketplace Facilitator? (https://www.streamlinedsalestax.org/docs/default-source/misc-published/ncsl-salt-model-marketplace-facilitator-legislation-6-2021.pdf?sfvrsn=2024eb8c_4)			
The State has adopted (and/or follows) the NCSL model definition of Marketplace Facilitator?	Yes	T.C.A. 67-6-501(f), (g), and (h), 67-6-515, 67-6-102(29), (30), (57), (59), (60), and (61)	
Does Your State Follow this Practice? If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if desired.	**Does Your State Follow this Practice?**	**Statute/Rule Cite**	**Comment**
Disclosed Practice 8.3.a - Exceptions to Marketplace Facilitator/Provider Collection Requirements			
8.3.a.i. The State excludes a person as a Marketplace Facilitator/Provider if that person's sole activity with respect to the transaction with the Marketplace Seller is to provide payment processing services between the seller and purchaser. If the answer is no, please explain in the Comment column, including if the State's law is less restrictive, e.g., the payment processing activity is only the principal activity.	Yes	T.C.A. 67-6-102(60)(B)(ii)	
8.3.a.ii. The State excludes from Marketplace Facilitator/Provider a person who only provides a platform for sellers to list items for sale and provides information that allows the buyer to contact the seller. However, the sales transaction and payment for the transaction occurs off the platform directly between the buyer and the seller.	Yes	T.C.A. 67-6-102(60)(A)(ii)	

8.3.a.iii. The State excludes a person from being a Marketplace Facilitator/Provider if the person’s participation is limited to listing items for sale and connecting purchasers to Sellers and the Marketplace Facilitator/Provider does not directly or indirectly enter into a contract, agreement, or other arrangement with an unaffiliated payment processor that is solely responsible for collecting funds from purchasers and disbursing those funds to Sellers.	Yes	T.C.A. 67-6-102(60)(A)(ii)	
8.3.a.iv. The State excludes from Marketplace Facilitator/Provider a person exclusively providing advertising services.	Yes	T.C.A. 67-6-102(60)(B)(i)	
8.3.a.v. The State excludes from Marketplace Facilitator/Provider a person that is registered with the Commodity Futures Trading Commission when using its platform services.	Yes	T.C.A. 67-6-102(60)(B)(iii)	
8.3.a.vi. The State requires a Marketplace Facilitator/Provider to collect tax on all types of taxable products (e.g., tangible personal property, digital goods, or services). If no, please explain in Comment column which types of taxable product the Marketplace Facilitator/Provider is required to collect on.	Yes	T.C.A. 67-6-515(a), 67-6-501(a), 67-6-102(60) and (26)(N)	
8.3.a.vii Does the State exclude certain types of transactions from Marketplace Facilitator/Provider sales and use tax collection or remittance requirements (e.g., prepared food/grocery delivery services, hotel or travel intermediaries, car rental services, etc.)? If “yes,” please indicate the exclusions in the Comment column.	Yes	T.C.A. 67-6-102(60)(B)(iv), 67-6-102(29), (30), (57), and (60)(B)(iv)	See delivery network company election to be deemed a marketplace facilitator. T.C.A. 67-6-102(60)(B)(iv).
Disclosed Practice 8.3.b. - Marketplace Facilitator/Provider Notification Requirements			

8.3.b.i. The State requires a “Marketplace Facilitator/Provider” to provide notification or certification to its Marketplace Sellers that it is registered to collect and to remit the tax. (if yes, describe the method)	No		
8.3.b.ii. The State requires a “Marketplace Facilitator/Provider” to provide notification or certification to the state tax agency that it is registered to collect and remit the tax? (if yes, describe the method)	No		
8.3.b.iii. The State requires a “Marketplace Facilitator/Provider” to provide notification or certification to its Marketplace Sellers that it is no longer registered to collect and remit the tax as provided in 8.3.h. (If “yes,” describe the method in the Comment column).	No		
Disclosed Practice 8.3.c – Does your State’s Marketplace Facilitator/Provider law provide for a waiver of the Marketplace Facilitator/Provider registration, collection, and remittance requirement?			
8.3.c.i. The State allows for a waiver of registration, collection, and remittance by the Marketplace Facilitator/Provider if substantially all of its Marketplace Sellers are registered with the State to remit the tax.	Yes	T.C.A. 67-6-501(f)(2)	
8.3.c.ii. The State allows a Marketplace Seller to continue to collect and remit the tax if mutually agreed to by the Marketplace Facilitator/Provider <u>and if</u> it is <u>approved</u> by the revenue/tax agency.	Yes	T.C.A. 67-6-501(f)(3)	The marketplace seller must have annual gross sales in the United States of over one billion dollars, provide evidence is registered in Tennessee, and notify the commissioner that the marketplace seller will collect and remit all applicable taxes and is liable for failure to collect the Tennessee tax.
8.3.c.iii. The State allows the Marketplace Seller to continue to remit the tax if mutually agreed to by the Marketplace Facilitator/Provider and the revenue/tax agency is notified. Indicate in the Comment column if any threshold requirements must be met before the Marketplace Seller can enter into such agreement .	Yes	T.C.A. 67-6-501(f)(3)	See 8.3.c.ii. above.

Disclosed Practice 8.3.d -Marketplace Facilitator/Provider Monetary Economic Nexus Threshold			
8.3.d.i. The State's Marketplace Facilitator/Provider monetary economic nexus threshold and calculation is the same as Remote Sellers in Disclosed Practices 8.1. If different, answer "no" and indicate the monetary economic nexus threshold or calculation differences in the Comment column.	Yes	T.C.A. 67-6-501(f)	Effective October 1, 2020, Tennessee's economic nexus threshold is "more than $100,000" in sales to consumers during the previous twelve-month period.
Disclosed Practice 8.3.e – Marketplace Facilitator/Provider Transactional Economic Nexus Threshold			
8.3.e.i. The State's Marketplace Facilitator/Provider transactional economic nexus threshold and calculation is the same as Remote Sellers in Disclosed Practices 8.1. If different, please answer "no" and indicate the transactional economic nexus threshold or calculation differences in the Comment column.	No		N/A, Tennessee does not have a transactional economic nexus threshold.
Disclosed Practice 8.3.f – Marketplace Facilitator/Provider Economic Nexus Measurement Period			
8.3.f.i. The State's Marketplace Facilitator/Provider Economic Nexus Measurement Period is the same as Remote Sellers in Disclosed Practice 8.1. If different, please answer "no" and indicate measurement period in the Comment column.	Yes	T.C.A. 67-6-501(f)	See 8.3.d.i.
Disclosed Practice 8.3.g – Exceptions to Physical Presence			
8.3.g.i. A Marketplace Facilitator's/Provider's physical presence is based solely on its presence and not on the presence of a Marketplace Seller.	Yes		

8.3.g.ii A Marketplace Facilitator/Provider who is below the state's economic nexus threshold(s) is excluded from collecting and remitting the state's tax if the Marketplace Facilitator/Provider only has employees located in the state that are not engaged in making sales (if applicable, please indicate any exceptions).	Yes		
Disclosed Practice 8.3.h. – When is a Marketplace Facilitator/Provider that falls below a state's economic nexus threshold allowed to stop collecting and remitting the applicable tax?			
8.3.h.i. The State allows a Marketplace Facilitator/Provider who falls below its Marketplace Facilitator/Provider economic nexus threshold during the measurement period to cancel its registration or request inactive status in the same manner as a Remote Seller in Disclosed Practice 8.1. If different, please answer "no" and indicate differences in the Comment column.	Yes		See 8.1.k.i.
Disclosed Practice 8.3.i. - What Type of Permit Does a Marketplace Facilitator/Provider Apply For?			
8.3.i.i. The State's registration requirement for a Marketplace Facilitator/Provider is the same as Remote Sellers in Disclosed Practice 8.1. If different, please answer "no" and indicate type of registration in the Comment column.	No	T.C.A. 67-6-515(b)	The marketplace facilitator reports facilitated sales separately from its direct sales. See Important Notice 20-15
Disclosed Practice 8.3.j. – What are the Registration and Reporting requirements for a Marketplace Facilitator/Provider?			
8.3.j.i. A Marketplace Facilitator/Provider is only permitted to obtain a single registration and file a single return covering its own sales and those made on behalf of its Marketplace Sellers.	No		
8.3.j.ii. A Marketplace Facilitator/Provider is permitted to register and file separate returns for its own sales and those made on behalf of Marketplace Sellers.	No		

8.3.j.iii. Were the answers to 8.3.j.i and 8.3.j.ii both “no”? If so, explain in the comment column the registration and filing requirements for a Marketplace Facilitator/Provider.	Yes	T.C.A. 67-6-515(b)	The marketplace facilitator registers through TNTAP indicating it is a marketplace facilitator. The facilitator will have one sales and use tax account for consolidated filing and remittance. The MPF will file/report marketplace facilitated sales separately under one profile ID number and file/report its direct sales under separate profile ID numbers.
Disclosed Practice 8.3.k. – Voluntary Registration as a Marketplace Facilitator/Provider			
8.3.k.i. The State allows a person that does not meet the State’s definition of Marketplace Facilitator/Provider to voluntarily register to collect and remit the tax on behalf of its third-party sellers.	Yes	T.C.A. 67-6-531	The agreement to collect and remit sales and use tax for third-party sellers must be approved by the commissioner and be in the best interest of state. The third-party seller will remain liable for uncollected or unpaid tax.
8.3.k.ii. Will the State enter into an agreement that provides authority for a person to voluntarily register as a Marketplace Facilitator/Provider to collect and remit the tax on behalf of third- party sellers and have the same obligations, rights and protections as a “Marketplace Facilitator/Provider”? (Note: If a written agreement is required, provide requirements in the Comment column.)	No		
8.3.k.iii. The State allows a person to register and be treated as a Marketplace Facilitator/Provider if they meet the State's definition, regardless of whether the Marketplace Facilitator/Provider has nexus in the State and have the same obligations, rights and protections as any Marketplace Facilitator/Provider.	No		
Disclosed Practice 8.3.l. - Marketplace Facilitator/Provider Treatment as a Seller – A Marketplace Facilitator/Provider is treated as the seller for the following:			
8.3.l.i. Refunds – The State allows Marketplace Facilitator/Provider to request a refund from the state in same manner as a seller/retailer.	Yes	T.C.A. 67-6-102(60) and (26)(N), 67-6-1802	

8.3.l.ii. Vendor discounts - The State applies timely filing/payment discounts/vendor allowances to Marketplace Facilitators/Providers in same manner as a seller/retailer.	No		Not applicable. Exception, if the marketplace facilitator enters into an agreement with CSP and qualifies as a CSP compensated seller for CSP allowance under the SSUTA and CSP contract.
8.3.l.iii. Exemption Documentation – The State allows sales made by Marketplace Facilitator/Provider to be exempt based on the Marketplace Facilitator/Provider having access to exemption documentation that is maintained by either the Marketplace Facilitator/Provider or Marketplace Seller.	No	T.C.A. 67-6-102(59), (60), (61), and (26)(N), 67-6-501(f) and (g), Rule 1320-05-01-.78, Rule 1320-05-01-.80	The marketplace facilitator registered in Tennessee is liable for its direct sales and the marketplace sales it facilitates. The marketplace seller is liable only for its direct sales. Each dealer is required to keep its own books and records to evidence exempt sales claimed by purchasers.
8.3.l.iv. Coupons – The State allows coupons, whether issued by a Marketplace Facilitator/Provider or a Marketplace Seller to be deemed to be a retailer's coupon/discount. (If "no," indicate in Comment column how such coupons are treated.)	Yes	T.C.A. 67-6-102(92)(B)	Seller discounts are not included in sales price if allowed by the marketplace facilitator for its direct sales or the facilitated marketplace sales and the price reduction is not reimbursed by a third-party (e.g. marketplace seller).
8.3.l.v. Bad Debts – The State allows a sales/use tax bad debt deduction based on the party that is able to claim the federal tax deduction under IRC 166, regardless of which party remitted the sales tax. (If "no", indicate in the Comment column such restrictions.)	No	T.C.A. 67-6-507(e)	When the marketplace facilitator collects and remits Tennessee sales and use tax on marketplace sales it facilitates for a marketplace seller, the marketplace facilitator is allowed to claim a bad debt deduction in accordance with T.C.A. 67-6-507(e) if the bad debt is eligible to be deducted for federal income tax purposes under 26 U.S.C. Section 166 by either the marketplace facilitator or marketplace seller. When the marketplace facilitator claims the bad debt deduction for Tennessee sales and use tax purposes on an uncollectible transaction, the marketplace seller may not claim the bad debt deduction for the same transaction.
Disclosed Practice 8.3.m. - Shifting of Liability to Marketplace Seller			
8.3.m.i. A Marketplace Facilitator/Provider is liable for the tax unless a Marketplace Seller provided incorrect or insufficient information.	Yes	T.C.A. 67-6-515(d)	

8.3.m.ii. The State has a written policy on what reasonable steps a Marketplace Facilitator/Provider must take to obtain correct and sufficient information from a Marketplace Seller to shift the liability of the tax to the Marketplace Seller (If “yes,” please reference location of the document in the Comment column).	No		
Disclosed Practice 8.3.n. – Marketplace Facilitator/Provider absolved of tax, penalty and interest.			
8.3.n.i. The State absolves a Marketplace Facilitator/Provider of tax, penalty and interest if it can show that a Marketplace Seller or the purchaser already paid the tax on the transaction.	No	T.C.A. 67-6-501(f)	Commissioner may consider this when a marketplace facilitator is under audit. Marketplace facilitators are liable for sales and use tax on its direct sales and the marketplace sales it facilitates. Marketplace sellers are only liable for tax on its direct sales.
Disclosed Practice 8.3.o. – Marketplace Facilitator/Provider Other Collection and/or Remittance Requirements *Disclosed practice 8.3.o. only relates to taxes and fees administered by the state tax agency. States are encouraged to provide a complete list of other taxes and/or fees that Marketplace Facilitators/Providers may be required to calculate, collect and/or remit to the state. However, since these taxes and/or fees may be administered by other agencies or divisions in each state, this may not be an all-inclusive list, and Marketplace Facilitators/Providers are ultimately responsible for determining which taxes and/or fees they are responsible for collecting and remitting.*			
8.3.o. Marketplace Facilitators/Providers registered for sales/use tax collection may also be liable for other taxes and fees associated with the transaction and administered by the state tax agency. If “yes,” please list the taxes and fees in the comment column along with legal authority. The list provided may not be an all-inclusive list.	Yes	T.C.A. 67-5-501, 67-6-515, 67-4-701 – 730, 67-4-2001 – 2023, 67-4-2101 – 2123	Marketplace facilitators who facilitate sales involving short-term rentals are required to collect and remit the local occupancy tax (Tourists Accommodation Tax, Hotel Occupancy Tax, and any privilege tax imposed by private act on the occupancy of a hotel, motel, or similar establishment) on their sales tax returns using Sch. F - Local Occupancy Tax Due on Short-Term Rentals on the Tennessee sales and use tax return. See Important Notice 20-20 - Short-Term Rental Unit Marketplaces Marketplace facilitators who facilitate sales involving short-term rentals are required to remit the business gross receipts tax and franchise & excise taxes on gross receipts generated from the sale, including, but not limited to, percentage-based or fixed-based commissions, fees, etc. This list is not all-inclusive and other taxes and/or fees may apply.

Disclosed Practice 8.3.p. – Class Action Lawsuits			
8.3.p.i. Did the State enact class action protections for Marketplace Facilitators/Providers separate from what the State is required to provide for all sellers based on Section 325 of the SSUTA/Agreement? If yes, provide the statutory reference in the Comment column. (Note: Indicate in the Comment column if this also applies to Marketplace Sellers.)	Yes	T.C.A. 67-6-515(e)	
Disclosed 8.3.q. If your state has eliminated the transactional economic nexus threshold, what is the earliest date a marketplace facilitator/provider who does not meet or exceed your monetary economic nexus threshold but had met the transactional economic nexus threshold in the measurement period may cancel their registration? **States that have never had a transactional economic nexus threshold do not answer DP 8.3.q.**			
8.3.q.i. Has your state eliminated its transactional economic nexus threshold? If yes, indicate in the Comments column the effective date.			
8.3.q.ii. The State allows a marketplace facilitator/provider who does not meet or exceed the monetary economic nexus threshold but had met the transactional economic nexus threshold in the measurement period prior to its elimination, to cancel its registration or request inactive status in the same manner as a remote seller in Disclosed Practice 8.1.o. If different, please answer “no” and indicate difference in the Comment column.			
Disclosed Practice 8.3.r – Registration with Secretary of State (or equivalent state agency)			
Is a Marketplace Facilitator who otherwise does not have physical presence in the state required to register with the Secretary of State (or equivalent state agency) as a condition of obtaining a sales tax permit?	No		
Disclosed Practice 9 - Exemptions			

NOTE: Additional explanatory information and examples can be found in Appendix E of the SSUTA.

These tax administration practices address how a member state administers exemptions that appear on the SST exemption certificate when the transaction is sourced to the state. Not all states allow all of the exemptions listed on the SST exemption certificate. In addition, some exemptions may have limitations or be limited in some manner.

The phrase "exemption certificate" includes both paper exemption certificates and the capture of the required data elements.

Sellers are not required to validate a purchaser's ID number or to know whether a purchaser is required to be registered in a state.

Purchasers may be held liable for the tax, interest, and penalties on a transaction if the purchaser improperly issues an exemption certificate to the seller.

Unless otherwise noted, States should respond to every disclosed practice question/statement. A state is not required to answer a question if that question is the subject of ongoing litigation in the state. States should provide links to statutes, regulations or published guidance addressing any limitations to an exemption.

If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your State's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
Disclosed Practice 9.1 – General – Seller Requirements - SSUTA Sec. 317 provides the following specific practices that apply to the administration of exemptions and exemption certificates.			
9.1.A. Member states are asked to affirm that they comply with the following requirements. Does your state comply with all the following requirements? If no, indicate in the Comment column.	Yes		Sales & Use Tax
9.1.A.i. The seller is not required to verify the purchaser's ID number or determine the purchaser's registration requirements. (SSUTA Rule 317.A.6.g)	Yes		Sellers may choose to verify the validity of Tennessee sales and use tax resale and exemption certificates by navigating to the Tennessee Taxpayer Access Point (TNTAP), click "View Exemption Links" under Exemptions, and click on "Sales & Use Tax Certificate Lookup."
9.1.A.ii. The seller is required to maintain proper records of exempt transactions and provide those records to the state when requested in the form in which it is maintained. Those records may be provided in paper or electronic format. (SSUTA Sec. 317.A.6)	Yes	T.C.A. 67-6-409(a) T.C.A. 67-6-523, Rule 1320-05-01-.68(1) and (2), 1320-05-01-.78	

9.1.A.iii. A seller may not accept an exemption certificate for an entity-based exemption on a sale if the subject of the transaction is actually received by the purchaser at a location operated by the seller within the designated state if the state does not allow such an entity-based exemption. (SSUTA Sec. 317.B)	Yes	T.C.A. 67-6-409(b)(2)	
9.1.A.iv. A drop shipper may accept an ID number to claim the resale exemption as provided below in the Purchaser's Requirements. The ID number may include an ID number issued by another state. This may result in the same ID number being listed for more than one state. (SSUTA § 317.A.8)	Yes	Rule 1320-05-01-.29(2), 1320-05-01-.68(1) - (3)	Important Notice 22-01 - Drop Shipment Repealed Sales and Use Tax Manual - Chapter 19: Exemptions, Resale and Sale for Resale.
9.1.B. Your state requires a seller to renew blanket exemption certificates if more than 12 months elapses between transactions. If no, indicate in the Comment column the period the certificate remains valid.	No	T.C.A 67-6-409(b)(1) and (b)(3), T.C.A. 67-6-523	SUT-184 – Exemptions – Updating Resale and Exemption Certificates
9.1.C. A seller is required to obtain the exemption certificate at the time of sale or within 90 days of the sale to receive liability relief provided in Section 317.C. of the SSUTA. (SSUTA Sec. 317.C) If the period allowed is longer than within 90 days of the sale, indicate in the Comment column the acceptable period of time to obtain an exemption certificate.	Yes	T.C.A. 67-6-409(a)(1) and (2) Rule 1320-05-01-.68(1) and (2), 1320-05-01-.78	Sales and Use Tax Manual Chapter 19: Exemptions, Exemption Administration, 4. Relief of Liability
Disclosed Practice 9.2 – Purchaser Requirements			
Disclosed Practice 9.2.A. – Sales for Resale ID number Requirements, including drop shipments (Sellers – see Seller Requirements in 9.1)			
9.2.A.1.i. Your state requires a purchaser that is required to be registered to collect sales and use tax in your state to include your state's state-issued sales tax or resale number on an exemption certificate it provides to its seller to claim an exemption from sales/use tax when purchasing for resale.	Yes	T.C.A. 67-6-409(a)(1) and (2), Rule 1320-05-01-.68(1), 1320-05-01-.29(2)	Sales and Use Tax Manual - Chapter 19: Exemptions, Resale and Sale for Resale SUT-31 - Sale for Resale - Resale Certificate - Overview

9.2.A.1.ii. Indicate below if your state accepts the following ID numbers for a purchaser that is not required to be registered to collect sales and use tax in your state on an exemption certificate it provides to its seller to claim an exemption from sales/use tax when purchasing for resale.

Note: If accepted but not required, note in the Comment column.

9.2.A.1.ii.a. A business registration number issued by your state, other than a sales tax or resale number.	No	T.C.A. 67-6-409(a)(1) and (2), Rule 1320-05-01-.68(1)	Sales and Use Tax Manual - Chapter 19: Exemptions, Resales and Sales for Resale SUT-31 – Sale for Resale – Resale Certificate - Overview MS-11 Marketplace Sellers Purchasing Products for Resale from Tennessee Suppliers Must Provide a Resale Exemption Certificate
9.2.A.1.ii.b. If the purchaser does not have a business registration number issued by your state, then a state-issued sales tax or resale number from any state.	Yes	T.C.A. 67-6-409(a)(1), Rule 1320-05-01-.68(1), 1320-05-01-.29(2)	Sales and Use Tax Manual - Chapter 19: Exemptions, Resale and Sale for Resale SUT-33 – Sale for Resale – Out-of-State Resale Certificates MS-11 Marketplace Sellers Purchasing Products for Resale from Tennessee Suppliers Must Provide a Resale Exemption Certificate
9.2.A.1.ii.c. If the purchaser does not have a business registration number issued by any state, then a U.S. Federal Employer ID number (FEIN).	Yes	T.C.A. 67-6-409(a)(1)	See 9.2.A.1.ii.b.
9.2.A.1.ii.d. If the purchaser does not have a state issued sales tax or resale number from any state, a business registration number issued by any state, other than a sales tax or resale number.	Yes	T.C.A. 67-6-409(a)(1)	Important Notice 22-01 Drop Shipment Repealed See 9.2.A.1.ii.b.

9.2.A.1.ii.e. If the purchaser is not required to be registered and does not have the ID number in a through d above, then a state issued driver's license number.	No	T.C.A. 67-6-409(a)(1)	Law requires a Tennessee sales tax account number for sellers required to be registered in Tennessee. Out of State sellers not registered in Tennessee may use home state sales tax resale certificate and tax ID number, or tax ID issued by home state for other tax type or FEIN. A foreign seller may use its home country tax ID number. A drivers license issued by any state is not acceptable as a tax ID number for purposes of claiming resale exemption in Tennessee. In such a case, purchaser must pay tax.
9.2.A.1.ii.f. If your state accepts any other ID number, indicate in the Comment column the type of number it accepts and when it can be used.			N/A
9.2.A.1.ii.g. If a foreign purchaser does not have any of the ID numbers identified above, does your state accept the tax ID number issued by the foreign country (e.g., VAT) on purchases for resale?	Yes	T.C.A. 67-6-409(a)(1)	See 9.2.A.1.ii.b.
9.2.A.1.ii.h. Does your state require an ID number when claiming an exemption for resale if the purchaser does not have any ID number listed in 9.2.A.1.ii.a. through 9.2.A.1.ii.g.?	Yes	T.C.A. 67-6-409(a)(1), Rule 1320-05-01-.68(1), 1320-05-01-.29(2)	Purchaser may not claim resale exemption without a tax ID number as indicated in 9.2.A.1.ii.a through 9.2.A.1.ii.g. Use of SST certificate to claim resale exemption when it does not include a tax ID number is considered incomplete and missing information. Seller accepting an incomplete certificate may be held liable for the tax if the seller is unable to obtain a fully-completed resale certificate.
9.2.B. – Direct Sales to the Federal Government (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with the Federal Government)			

9.2.B.1. Does your state have a statutory exemption, which may be limited, for direct sales to the Federal Government (including transactions with payment by government credit cards that are paid direct by the government)?	Yes	T.C.A. 67-6-308, Rule 1320-05-01-.58	Important Notice 09-01 Purchases by Government Employees Sales and Use Tax Manual - Chapter 19: Exemptions, Entity-Based Exemptions SUT-82 - Government Certificate of Exemption Tennessee Government Exemption Certificate
9.2.B.2. Is an exemption certificate or other documentation required when the purchaser is claiming exemption as the Federal Government? If yes, enter documentation required in the Comment column.	Yes	T.C.A. 67-6-409(a)(1), Rule 1320-05-01-.58	See 9.2.B.1, Federal and Tennessee state and local government purchasers should include its FEIN as the tax ID number when using the Streamlined Certificate of Exemption.
9.2.B.3. Is the name of the federal agency making the purchase required?	Yes	T.C.A. 67-6-409(a)(1), Rule 1320-05-01-.58	See 9.2.B.1.
9.2.C. – Direct Sales to Your State Government (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with your State Government)			
9.2.C.1. Does your State have a statutory exemption, which may be limited, for sales to your State or State agencies from your state? If no, go to 9.2.D.	Yes	T.C.A. 67-6-329(a)(4), Rule 1320-05-01-.55	Important Notice 09-01 Purchases by Government Employees Sales and Use Tax Manual - Chapter 19: Exemptions, Entity-Based Exemptions SUT-82 - Government Certificate of Exemption Tennessee Government Exemption Certificate Federal and Tennessee state and local government purchasers should include their FEIN as the tax ID number when using the Streamlined Certificate of Exemption form.

9.2.C.2. Is the State or State agency required to apply for an exemption number from your state? · Yes (State or State agency contacts state to apply for exemption number) · No (exemption applies, does not require state approval) If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.	No		
9.2.C.3. Is an exemption certificate or other documentation required when the purchaser is claiming exemption as your State? If yes, enter documentation required in the Comment column.	Yes	T.C.A. 67-6-409, Rule 1320-05-01-.55(4)	See 9.2.C.1.
9.2.D. – Direct Sales to a Local Government located in your state (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with a Local Government located in your state)			
9.2.D.1. Does your state have a statutory exemption, which may be limited, for sales to a Local Government located in your state? If no, go to 9.2.E.	Yes	T.C.A. 67-6-329(a)(4), Rule 1320-05-01-.55	Sales and Use Tax Manual - Chapter 19: Exemptions, Entity-Based Exemptions SUT-82 - Government Certificate of Exemption Tennessee Government Exemption Certificate Federal and Tennessee state and local government purchasers should include its FEIN as the tax ID number when using the Streamlined Certificate of Exemption.

9.2.D.2. Is the Local Government required to apply for an exemption number from your state? · Yes (Local Government contacts state to apply for exemption number) · No (exemption applies, does not require state approval) If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.	No		
9.2.D.3. Is an exemption certificate or other documentation required when the purchaser is claiming exemption as a Local Government located in your state? If yes, enter documentation required in the Comment column.	Yes	T.C.A. 67-6-409, Rule 1320-05-01-.55(4)	See 9.2.D.1.
9.2.E. – Direct Sales to State Government located in another state (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with State Government from other states)			
9.2.E.1. Does your state have a statutory exemption, which may be limited, for sales to a State Government from another state? If no, go to 9.2.F.	No	Rule 1320-05-01-.55(1)	
9.2.E.2. Is the State Government from the other state required to apply for an exemption number from your state? · Yes (Other State contacts state to apply for exemption number) · No (exemption applies, does not require state approval) If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.			

9.2.E.3. Is an exemption certificate or other documentation required when purchaser is claiming exemption as a State from another state? If yes, enter documentation required in the Comment column.			
9.2.F. – Direct Sales to a Local Government located in another state(See 9.2.L and M for information on sales to contractors and other third parties who have contracts with the Local Government from another state)			
9.2.F.1. Does your state have a statutory exemption, which may be limited, for sales to a Local Government located in another state? If no, go to 9.2.G.	No	Rule 1320-05-01-.55(1)	
9.2.F.2. Is the Local Government located in another state required to apply for an exemption number from your state? · Yes (Local Government contacts state to apply for exemption number) · No (exemption applies, does not require state approval) If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.			
9.2.F.3. Is an exemption certificate or other documentation required when purchaser is claiming exemption as a Local Government located in another state? If yes, enter documentation required in the Comment column.			
9.2.G. – Direct Sales to Tribal Governments or Entities (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with the Tribal Governments)			

9.2.G.1. Does your state's sales tax agency have published guidance for the treatment of sales to Tribal Governments, Tribal Entities or Tribal members? If yes, provide links to any published guidance in the Comment column.	No		
9.2.H. – Sales to Foreign Diplomats			
9.2.H.1 Does your state's sales tax agency have published guidance for any exemptions, which may be limited, for sales to a Foreign Diplomat?	Yes		Important Notice 16-03 Diplomatic Tax Exemption Cards Sales and Use Tax Manual - Chapter 19: Exemptions, Entity-Based Exemptions
9.2.H.2 Is an exemption certificate or other documentation required when the purchaser is claiming exemption as a Foreign Diplomat? If yes, enter documentation required and the acceptable ID numbers in the Comment column.	Yes		See 9.2.H.1.
9.2.I. – Direct Sales to Charitable Organizations (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with a Charitable Organization)			

9.2.I.1. Does your state have a statutory exemption, which may be limited, for sales to Charitable Organizations? If no, go to 9.2.J.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	Application for Exempt Organizations or Institutions Important Notice 15-16 Nonprofit Exemption Sales and Use Tax Manual - Chapter 19: Exemptions, Entity-Based Exemptions SUT-75 – Exemptions – Exemption Certificate Renewal SUT-77 – Nonprofit Exemption – Overview SUT-78 – Nonprofit Exemption – Organizations Making Sales of Taxable Product or Services Tennessee Exempt Organizations & Institutions Sales and Use Tax Exemption Certificate or fully completed Streamlined Certificate of Exemption must include the Tennessee nonprofit exemption number. An out-of-state nonprofit with a federal 501(c)(3) determination may provide its federal authorization letter instead of Tennessee nonprofit exemption certificate.
9.2.I.2. Is the Charitable Organization required to apply for an exemption number from your state? · Yes (Charitable Organization contacts state to apply for exemption number) · No (exemption applies, does not require state approval) If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.I.1.

9.2.I.3. Is an exemption certificate or other documentation required when the purchaser is claiming exemption as a Charitable Organization? If yes, enter documentation required in the Comment column.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.I.1.
9.2.I.4. Is your state's own state-issued exemption ID number required when claiming exemption as a Charitable Organization? If no, indicate in the Comment column which ID numbers are acceptable.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.I.1.
9.2.I.5. Does your state's exemption for sales to Charitable Organizations apply to Charitable Organizations located in another state? If no go to 9.2.J.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.I.1.
9.2.I.6. Does your state have different requirements for claiming an exemption as a Charitable Organization located in your state than a Charitable Organization located in another state? If yes, indicate the differences in the Comment column.	No	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.I.1.
9.2.J. – Direct Sales to Religious Organizations (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with a Religious Organization)			

9.2.J.1. Does your state have a statutory exemption, which may be limited, for sales to a Religious Organization? If no, go to 9.2.K.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	Application for Exempt Organizations or Institutions Important Notice 15-16 Nonprofit Exemption Sales and Use Tax Manual - Chapter 19: Exemptions, Entity-Based Exemptions SUT-75 - Exemptions - Exemption Certificate Renewal SUT-77 - Nonprofit Exemption - Overview SUT-78 - Nonprofit Exemption - Organizations Making Sales of Taxable Product or Services Tennessee Exempt Organizations & Institutions Sales and Use Tax Exemption Certificate or fully completed Streamlined Certificate of Exemption must include the Tennessee nonprofit exemption number. An out-of-state nonprofit with a federal 501(c)(3) determination may provide its federal authorization letter instead of Tennessee nonprofit exemption certificate. There is no exemption for a for-profit religious organization.
9.2.J.2. Is the Religious Organization required to apply for an exemption number from your state? · Yes (Religious Organization contacts state to apply for exemption number) · No (exemption applies, does not require state approval) If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.J.1.

9.2.J.3. Is an exemption certificate or other documentation required when the purchaser is claiming exemption as a Religious Organization? If yes, enter documentation required in the Comment column.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.J.1.
9.2.J.4. Is your state's own state-issued exemption ID number required when claiming exemption as a Religious Organization? If no, the state should indicate the documentation required in the Comment column.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.J.1.
9.2.J.5. Does your state's exemption for sales to Religious Organizations apply to Religious Organizations located in another state? If no go to 9.2.K.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.J.1. An out-of-state nonprofit religious organization that meets the requirements outlined in T.C.A. 67-6-322 may apply for Tennessee exemption certificate.
9.2.J.6. Does your state have different requirements for claiming an exemption as a Religious Organization located in your state than as a Religious Organization located in another state? If yes, indicate the differences in the Comment column.	No	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.J.1.
9.2.K. – Direct Sales to Educational Organizations (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with an Educational Organization)			

9.2.K.1. Does your state have a statutory exemption, which may be limited, for sales to an Educational Organization? If no, go to 9.2.L.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	Application for Exempt Organizations or Institutions Important Notice 15-16 Nonprofit Exemption Sales and Use Tax Manual - Chapter 19: Exemptions, Entity-Based Exemptions SUT-75 - Exemptions - Exemption Certificate Renewal SUT-77 - Nonprofit Exemption - Overview SUT-78 - Nonprofit Exemption - Organizations Making Sales of Taxable Product or Services Tennessee Exempt Organizations & Institutions Sales and Use Tax Exemption Certificate or fully completed Streamlined Certificate of Exemption must include the Tennessee nonprofit exemption number. An out-of-state nonprofit with a federal 501(c)(3) determination may provide its federal authorization letter instead of Tennessee nonprofit exemption certificate. There is no exemption available for a private for-profit educational organizations.
9.2.K.2. Is the Educational Organization required to apply for an exemption number from your state? · Yes (Educational Organization contacts state to apply for exemption number) · No (exemption applies, does not require state approval) If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.K.1.

9.2.K.3. Is an exemption certificate or other documentation required when the purchaser is claiming exemption as an Educational Organization? If yes, enter documentation required in the Comment column.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.K.1.
9.2.K.4. Is your state's own state-issued exemption ID number required when claiming exemption as an Educational Organization? If no, the state should indicate the documentation required in the Comment column.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.K.1.
9.2.K.5. Does your state's exemption for sales to Educational Organizations apply to Educational Organizations located in another state? If no go to 9.2.L.	Yes	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.K.1.
9.2.K.6. Does your state have different requirements for claiming an exemption as an Educational Organization located in your state than as an Educational Organization located in another state? If yes, indicate the differences in the Comment column.	No	T.C.A. 67-6-322, Rule 1320-05-01-.51	See 9.2.K.1.
9.2.L. – Sales to Construction Contractors for sales of construction materials incorporated into real property construction activities for the specified organizations. This does not include sales for resale. (see below)			
9.2.L.1. Does your state have a statutory exemption or published guidance, which may be limited, for sales to construction contractors for construction materials incorporated into real property by that contractor for the following entities? If yes, indicate any documentation required or provide a link to the published guidance in the Comment column. If no, go to 9.2.M.	No	T.C.A. 67-6-209(a), (b), and (c), Rule 1320-05-01-.07, 1320-05-01-.55(3), 1320-05-01-.58(2), 1320-05-01-.101, 1320-05-01-.103.	Sales and Use Tax Manual - Chapter 6: Use Tax, Contractor's Use Tax SUT-21 – Sales and Use Tax for Contractors – Overview

9.2.L.1.i. Federal Government	No	T.C.A. 67-6-209(d) and (e), T.C.A. 67-6-384, Rule 1320-05-01-.102	Exceptions: 67-6-209(d) Atomic weapons parts, source materials, special nuclear materials, and by-product materials as defined by the Atomic Energy Act of 1954 for use in, or experimental work with manufacturing processes for or on behalf of the atomic energy commission. *Tennessee Sales and Use Tax Certificate of Exemption Purchasing Agent Contractors United States Atomic Energy Commission. 67-6-209(e) Materials and equipment used for construction or installation in electric generating plant and distribution system; resource recovery facility; coal gasification plant and distribution system; owned and operated by the United States or its agency created Congress *Tennessee Sales and Use Tax Certificate of Exemption Electric Generating and Distribution Systems, Resource Recovery Facilities, or Coal Gasification Plants and Distribution Systems 67-6-384 Sales and use tax exemption for Spallation Neutron Source Facility located at the national laboratory in Tennessee. *Application through designated authority at the Spallation Neutron Source Facility. *Spallation Neutron Source Facility Sales and Use Tax Exemption Certificate must include Tennessee tax exemption ID number.

9.2.L.1.ii. State Government located in your State	No	T.C.A. 67-6-209(e), Rule 1320-05-01-.102	Exceptions: 67-6-209(e) Materials and equipment used for construction or installation in electric generating plant and distribution system; resource recovery facility; coal gasification plant and distribution system; owned and operated by the State of Tennessee or its agency. *Tennessee Sales and Use Tax Certificate of Exemption Electric Generating and Distribution Systems, Resource Recovery Facilities, or Coal Gasification Plants and Distribution Systems
9.2.L.1.iii. State Government located in other States	No		
9.2.L.1.iv. Local Government located in your State	No	T.C.A. 67-6-209(e), Rule 1320-05-01-.102	Exceptions: 67-6-209(e) Materials and equipment used for construction or installation in electric generating plant and distribution system; resource recovery facility; coal gasification plant and distribution system; owned and operated by Tennessee political subdivisions or authority organized under Rural Electric and Community Services Cooperative Act. *Tennessee Sales and Use Tax Certificate of Exemption Electric Generating and Distribution Systems, Resource Recovery Facilities, or Coal Gasification Plants and Distribution Systems
9.2.L.1.v. Local Government located in other States	No		
9.2.L.1.vi. Tribal Governments, Tribal entities or Tribal members	No		
9.2.L.1.vii. Charitable Organizations located in your State	No		
9.2.L.1.viii. Charitable Organizations located in other States	No		

9.2.L.1.ix. Religious Organizations located in your State	No		
9.2.L.1.x. Religious Organizations located in other States	No		
9.2.L.1.xi. Educational Organizations located in your State	No		
9.2.L.1.xii. Educational Organizations located in other States	No		
9.2.M. – Sales to third parties who are providing services or performing contracts not related to real property.			
9.2.M.1. Does your state have a statutory exemption or published guidance, which may be limited, for sales to third parties who are providing services or performing contracts not related to real property for the following entities? If yes, indicate any documentation required or provide a link to the published guidance in the Comment column. If no, go to 9.2.N.	No		
9.2.M.1.i. Federal Government	No	T.C.A. 67-6-384	Sales and use tax exemption for Spallation Neutron Source Facility located at the national laboratory in Tennessee. *Application through designated authority at the Spallation Neutron Source Facility. *Spallation Neutron Source Facility Sales and Use Tax Exemption Certificate must include Tennessee tax exemption ID number.
9.2.M.1.ii. State Government located in your State	No		
9.2.M.1.iii. State Government located in other States	No		
9.2.M.1.iv. Local Government located in your State	No		

9.2.M.1.v. Local Government located in other States	No		
9.2.M.1.vi. Tribal Governments, Tribal entities or Tribal members	No		
9.2.M.1.vii. Charitable Organizations located in your State	No		
9.2.M.1.viii. Charitable Organizations located in other States	No		
9.2.M.1.ix. Religious Organizations located in your State	No		
9.2.M.1.x. Religious Organizations located in other States	No		
9.2.M.1.xi. Educational Organizations located in your State	No		
9.2.M.1.xii. Educational Organizations located in other States	No		
9.2.N. – Sales of Products used in Agricultural Production			

9.2.N.1. Does your state have a statutory exemption, which may be limited, for products used in Agricultural Production? If yes, provide link to any published guidance issued by your state's sales tax agency for the treatment of any published guidance sales of products used in Agricultural Production in the Comment column? If no, go to 9.2.O.	Yes	T.C.A. 67-6-207	Application for Agricultural Sales and Use Tax Exemption Tennessee Tax Manual for Farmers, Nursery Operators, and Timber Harvesters - Chapter 3: Agriculture Exemption Certificate and Chapter 4: Qualification for Agricultural Exemptions SUT-91 - Agriculture Exemption - Overview SUT-142 - Agriculture Exemption Certificate Renewal SUT-146 - Agriculture Exemption - Out-of-State Farmers May Apply For Exemption
9.2.N.2. Is the purchaser required to apply for an exemption number from your state in order to claim the Agricultural Production exemption? · Yes (purchaser contacts state to apply for an exemption number) · No (exemption applies, does not require state approval) If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.	Yes	T.C.A. 67-6-207(c)	See 9.2.N.1. Tennessee Agricultural Sales and Use Tax Certificate of Exemption number is required.
9.2.N.3. Is an exemption certificate or other documentation required when the purchaser is claiming exemption for Agricultural Production? If yes, enter documentation required in the Comment column.	Yes	T.C.A. 67-6-207(d)	See 9.2.N.1. Tennessee Agriculture Sales and Use Tax Certificate of Exemption or fully completed Streamlined Sales Tax Certificate of Exemption must include the Tennessee Agriculture exemption number.
9.2.N.4. Does your state's Agricultural Production Exemption apply to Agricultural Production Entities located in another state?	Yes	T.C.A. 67-6-207	See 9.2.N.1. SUT-146 – Agriculture Exemption – Out-of-State Farmers May Apply For Exemption

9.2.N.5. Is your state's own state-issued exemption ID number required when claiming exemption for Agricultural Production? If no, indicate in the Comment column which ID numbers are acceptable.	Yes	T.C.A. 67-6-207(c)	See 9.2.N.1. Tennessee Agriculture Sales and Use Tax Certificate of Exemption or fully completed Streamlined Sales Tax Certificate of Exemption must include the Tennessee Agriculture exemption number.
9.2.N.6. Does your state have different requirements for claiming an Agricultural Production exemption by a purchaser located in your state than by a purchaser located in another state? If yes, indicate the differences in the Comment column.	No	T.C.A. 67-6-207	See 9.2.N.1. Tennessee Agriculture Sales and Use Tax Certificate of Exemption or fully completed Streamlined Sales Tax Certificate of Exemption must include the Tennessee Agriculture exemption number.
9.2.O. – Sales of products used in Industrial Production/Manufacturing			
9.2.O.1. Does your state have a statutory exemption, which may be limited, for sales of products used in Industrial Production/Manufacturing? If no, go to 9.2.P.	Yes	T.C.A. 67-6-102(50), T.C.A. 67-6-206, Rule 1320-05-01-.40, 1320-05-01-.42(2), 1320-05-01-.106.	Application for Industrial Machinery, Energy Fuels and Water Sales and Use Tax Exemption Sales and Use Tax Manual - Chapter 20: Manufacturers, Manufacturer Exemption Certificate - Generally SUT-14 – Sales and Use Tax Rate – Manufacturers SUT-80 – Industrial Machinery Exemption for Manufacturers Tennessee Manufacturing and Processing Industrial Machinery, Energy Fuels, and Water Sales and Use Tax Certificate of Exemption or fully completed Streamlined Sales Tax Certificate of Exemption which must include the Tennessee manufacturing exemption number.

9.2.O.2. Is the purchaser required to apply for an exemption number from your state? · Yes (purchaser contacts state to apply for exemption number) · No (exemption applies, does not require state approval) If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.	Yes	T.C.A. 67-6-206(b)(3), Rule 1320-05-01-.106(1-3)	See 9.2.O.1.
9.2.O.3. Is an exemption certificate or other documentation required when the purchaser is claiming exemption for sales of products used in Industrial Production/Manufacturing? If yes, enter documentation required in the Comment column.	Yes	T.C.A. 67-6-209(b)(3), Rule 1320-05-01-.106(1-3)	See 9.2.O.1.
9.2.O.4. Does your state's Industrial Production/ Manufacturing Exemption apply to Industrial Production/Manufacturing Entities located in another state?	Yes	T.C.A. 67-6-102(50), T.C.A. 67-6-206, Rule 1320-05-01-.40, 1320-05-01-.42(2), 1320-05-01-.106	See 9.2.O.1.
9.2.O.5. Is your state's own state-issued exemption ID number required when claiming exemption for Industrial Production/Manufacturing? If no, the state should indicate in the Comment column which ID numbers are acceptable.	Yes	T.C.A. 67-6-102(50), T.C.A. 67-6-206, Rule 1320-05-01-.40, 1320-05-01-.42(2), 1320-05-01-.106	See 9.2.O.1. Tennessee Manufacturing and Processing Industrial Machinery, Energy Fuels and Water Sales and Use Tax Certificate of Exemption or fully completed Streamlined Sales Tax Certificate of Exemption which must include the Tennessee manufacturing exemption number
9.2.O.6. Does your state have different requirements for claiming an Industirial Production/ Manufacturing exemption by a purchaser located in your state than by a purchaser located in another state? If yes, indicate the differences in the Comment column.	No	T.C.A. 67-6-102(50), T.C.A. 67-6-206, Rule 1320-05-01-.40, 1320-05-01-.42(2), 1320-05-01-.106	See 9.2.O.1.
9.2.P. – Sales of Direct Mail			

9.2.P.1. Does your state allow the purchaser to claim direct mail and assume responsibility for directly reporting tax to the appropriate taxing jurisdictions? If no, go to 9.2.Q.	No		
9.2.P.2. Is an exemption certificate or other documentation required when a purchaser claims direct pay responsibility for Direct Mail? If yes, enter documentation required in the Comment column.			
9.2.P.3. Does your state require an ID number when the purchaser is claiming Direct Mail and assuming the responsibility for directly reporting tax to the appropriate jurisdiction? If no, go to 9.2.Q.			
9.2.P.4. Is your state's own state-issued ID number required when the purchaser is claiming Direct Mail and assuming the responsibility for directly reporting tax to the appropriate jurisdiction. If no, indicate in the Comment column which ID numbers are acceptable.			
9.2.Q. – Direct Pay Permit			
9.2.Q.1. Does your state authorize direct pay permits? (SSUTA Sec. 326)	Yes	T.C.A. 67-6-102(36) and (37), Rule 1320-05-01-.68(4)	Sales and Use Tax Manual - Chapter 19: Exemptions, Exemption Administration, 2. Streamlined Certificate of Exemption Tennessee Sales and Use Tax Direct Pay Permit or a fully completed Streamlined Sales Tax Certificate of Exemption that must include the Tennessee Direct Pay Permit number. Direct pay permits issued by other states may not be used to make tax exempt purchases in Tennessee. Sellers may not accept direct pay permits issued by other states on Tennessee sales.

9.2.Q.2. Is an exemption certificate, direct pay permit or other documentation required when Direct Pay Permit holder is claiming Direct Pay authority? If yes, enter documentation required in the Comment column.	Yes	T.C.A. 67-6-102(36) and (37), Rule 1320-05-01-.68(4)	See 9.2.Q.1.
9.2.Q.3. Does the state require an ID number when the Direct Pay Permit holder is claiming Direct Pay authority?	Yes	T.C.A. 67-6-102(36) and (37), Rule 1320-05-01-.68(4)	See 9.2.Q.1.
9.2.Q.4. Is the state's own state-issued exemption ID number required when the Direct Pay Permit holder is claiming Direct Pay authority? If no, indicate in the Comment column which ID numbers are acceptable.	Yes	T.C.A. 67-6-102(36) and (37), Rule 1320-05-01-.68(4)	See 9.2.Q.1.
Disclosed Practice 10 – Delivery Network Companies (DNCs)			
For purposes of Disclosed Practice 10, "Delivery Network Companies" are generally defined as business entities that own or operate an internet website and/or mobile application utilized to facilitate sales and delivery services of food, prepared food, and other tangible personal property offered by local merchants to customers within a certain geographical market.			
	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
Disclosed Practice 10.1 – DNC has a Contract or Agreement with the Merchant DP 10.1. only applies to DNCs who: • Have transactions that are made and the payment is processed through the DNC's website or mobile application and not through the merchant's website or mobile application, and • Have a contract or agreement with the merchant.			
10.1.a. DNC Registration, Collection and Remittance Requirement			

10.1.a.i. The State treats DNCs as marketplace facilitators/providers for registration, collection and remittance of sales/use taxes, following all subsections of Disclosed Practice 8.3, “Marketplace Facilitators/Providers.” If “yes,” move to Disclosed Practice 10.1.c. If “no,” explain in the comments any other provisions requiring a DNC to collect and remit tax.	No	T.C.A. 67-6-102(29), (30), (57), and (60)(B)(iv)	Tennessee law excludes delivery network companies from the marketplace facilitator definition. However, a DNC can elect to be a marketplace facilitator if the DNC meets the definition of a marketplace facilitator. MF-14 - Delivery Network Company - Definition MF-15 - Delivery Services - Definition MF-16 - How Delivery Network Companies Can Elect to be Marketplace Facilitators
10.1.a.ii. DNCs not otherwise required to collect and remit sales/use tax can voluntarily register to collect and remit sales/use tax.	Yes	T.C.A. 67-6-102(29), (30), (57), and (60)(B)(iv), 67-6-501, 67-6-515, and 67-6-524	Tennessee law excludes delivery network companies from the marketplace facilitator definition. However, a DNC can elect to be a marketplace facilitator if the DNC meets the definition of a marketplace facilitator. MF-16 - How Delivery Network Companies Can Elect to be Marketplace Facilitators
10.1.b. DNC Tax Refund Requests			
10.1.b.i. DNCs registered to collect and remit sales/use tax may request a refund from the State in the same manner as a seller/retailer. If “no,” explain in the comment section the procedure for DNCs to obtain a refund.	Yes	T.C.A. 67-1-1802	

10.1.b.ii. DNCs registered to collect and remit sales/use tax can take a deduction or reduction on the sales/use tax return when a refund is given to the purchaser for an item that is not or cannot be returned (e.g. spoiled food, order improperly prepared, etc.). If "yes," explain in the comment section how the DNC takes the deduction or reduction. If "no," explain the procedure for DNCs to obtain a refund.	Yes	Rule 1320-05-01-.50	A DNC who has elected to be a marketplace facilitator and registered to collect and remit sales tax is required to follow the standard refund procedures of requesting a refund from the State, unless the item has been returned and qualifies for a "returned merchandise" exemption. In a case of "returned merchandise", a DNC may deduct its current filing by the amount of tax returned to their customer as a result of return merchandise transaction. In all cases, the vendor, including a DNC who elects to be a marketplace facilitator, is required to refund/credit the tax to their customer prior to receiving a refund/taking a deduction. Note, if a retailer, including a DNC who elects to be a marketplace facilitator, does not report the original sale of the item on its sales tax return because the item was returned in the same period, the retailer should not claim credit for the refunded tax. SUT-25 - Sales Tax Filing - Reporting Returned Merchandise - Amounts Less Than or Equal to Single Article Limitation
10.1.c. DNC Deduction, Reduction or Credit for Tax Paid			
10.1.c.i. DNCs registered to collect and remit sales/use tax can take a deduction, reduction or tax credit (e.g., a "tax paid inventory resold" deduction or a "tax paid at source" deduction or other similar deduction) on the sales/use tax return for tax paid by the DNC to the merchant. If "yes," explain in the comment section how the DNC takes the deduction, reduction or credit. If "no," describe any alternative method the DNC can take to recover the tax paid to the merchant.	Yes	T.C.A. 67-6-102(26), (29), (60)(B)(iv), and (92)	A delivery network company who has elected to be a marketplace facilitator and is registered to collect and remit sales tax should follow the guidance provided for marketplace facilitators in Disclosed Practice 8. The full tax amount from the sales price or full consideration must be remitted to the State.
10.1.d. DNC Tax Collection Notification to Merchants			

10.1.d.i. The state considers contractual agreements noting the sales/use tax collection and remittance responsibility rests with the Delivery Network Company as sufficient documentation supporting the merchant not charging tax, thereby precluding any requirement for supplementary documentation. If "no," explain in the comment section what a DNC needs to provide to merchants to support no tax being charged to the DNC.	No	T.C.A. 67-6-102(29), (57), (60)(B)(iv), and (92)	No, the State does not consider contractual agreements with DNCs who have not elected to be treated as marketplace facilitators. Tennessee law explains that the marketplace facilitator is considered the dealer in a transaction facilitated through their marketplace platform. If a DNC has not elected to be treated as marketplace facilitator, then the vendor is responsible for collecting sales tax on its sale to DNC's customer, including instances where DNC pays for the order with its own card, and then re-sells the order to its customer. The full tax amount from the sales price or full consideration must be remitted to the State.
Disclosed Practice 10.2 – DNC without a Contract or Agreement with the Merchant DP 10.2. only applies to DNCs who: • Have transactions that are made and the payment is processed through the DNC's website or mobile application and not through the merchant's website or mobile application, and • Do not have a contract or agreement with the merchant.			
10.2.a. DNC Deduction, Reduction or Credit for Tax Paid to Non-Contracted or Non-Agreement Merchants			
10.2.a.i. A DNC that collects sales tax from a customer, and who obtains products from a merchant with whom the DNC **does not have** a contract or agreement, may take a deduction, reduction or tax credit (e.g., a "tax paid inventory resold" deduction or a "tax paid at source" deduction or other similar deduction) on the sales/use tax return for tax paid by the DNC to the merchant to obtain the products. If "yes," explain in the comment section how the DNC takes the deduction, reduction or credit. If "no," describe any alternative method the DNC can take to recover the tax paid to the merchant.	Yes	T.C.A. 67-6-102(26), (29), and (60)(B)(iv)	A delivery network company who has elected to be a marketplace facilitator and is registered to collect and remit sales tax should follow the guidance provided for marketplace facilitators in Disclosed Practice 8. The full tax amount from the sales price or full consideration must be remitted to the State.
Disclosed Practice 10.3. DNC Other Collection and/or Remittance Requirements Disclosed practice 10.3. pertains to DNCs both with and without a Contract or Agreement with the Merchant *Disclosed practice 10.3.a. only relates to taxes and fees administered by the State tax agency. States are encouraged to provide a complete list of other taxes and/or fees that DNC's may be required to calculate, collect and/or remit to the state. However, since these taxes and/or fees may be administered by other agencies or divisions in each state, this may not be an all-inclusive list, and DNCs are ultimately responsible for determining which taxes and/or fees they are responsible for collecting and remitting.*			

10.3.a. DNCs registered for sales/use tax collection may also be liable for other taxes and fees associated with the transaction and administered by the state tax agency. If “yes,” please list the taxes and fees in the comment column along with legal authority. The list provided may not be an all-inclusive list.	Yes	T.C.A. 67-4-701 – 730, 67-4-2001 – 2023, 67-4-2101 – 2123	DNCs who facilitate in Tennessee are required to remit the business gross receipts tax and franchise & excise taxes on gross receipts generated from the sale, including, but not limited to, percentage-based or fixed-based commissions, fees such as delivery fees or charges, etc. This list is not all-inclusive and other taxes and/or fees may apply.