

SSUTA - Amnesty Available in Tennessee October 1, 2005

Tennessee is an associate member state of the Streamlined Sales and Use Tax Agreement (SSUTA). Tennessee law (Tenn. Code Ann. § 67-6-537) has provided an amnesty program in accordance with SSUTA § 402 since October 1, 2005.

Who are the Streamlined member states:

- Arkansas, Georgia, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Rhode Island, South Dakota, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming ("Full Member States")
- Tennessee ("Associate Member State")

What amnesty is available:

Under the amnesty program, the seller will not be assessed for uncollected or unpaid sales or use tax, including penalty or interest, for sales made to Tennessee purchasers in any period prior to registering in Tennessee.

Who is eligible:

Sellers who are not currently registered to collect sales or use taxes in Tennessee, who register through the SSTRS to collect and remit sales or use taxes in Tennessee, and the seller pays or collects and remits sales or use tax on sales made to purchasers in **all the full member states** in which the seller makes sales that are subject to tax.

Except as noted below, a seller that makes sales in other full member states **must** register and pay or collect and remit sales or use tax in such full member states to qualify for amnesty in Tennessee, even if the sales are below the full member state's economic nexus threshold. If a seller did not make sales in one or more of the full member states when it registers in Tennessee through the SSTRS, the seller should register in such full member state(s) once it begins making sales to purchasers in those full member states to qualify for amnesty in Tennessee.

Note, sellers that are only making wholesale sales in a full member state that does not require wholesalers to register, or marketplace sellers who only make sales through a marketplace facilitator in a full member state that does not require such marketplace sellers to register, are not required to register in those full member states to qualify for amnesty in Tennessee.

Streamlined Sales Tax Registration System:

<https://www.streamlinedsalestax.org/for-businesses/sales-tax-registration-sstrs>

Who is not eligible:

A seller is **not eligible** for amnesty in Tennessee if:

- The seller is currently registered in Tennessee to collect sales and use tax;
- The seller had been registered in Tennessee within 12 months of Tennessee becoming an associate member state (October 1, 2005); or
- The seller has an audit or assessment pending, including any related administrative and judicial processes, or the Department has notified the seller that it will be the subject of an audit.

How long does a seller have to take advantage of amnesty in member states:

The amnesty period for all full member states to provide amnesty in accordance with SSTUA § 402 has ended unless the state otherwise provides amnesty. Tennessee is an associate member state and is the only Streamlined member state still offering amnesty in accordance with SSUTA § 402.

What is excluded from the amnesty:

- Sales or use taxes collected by the seller that are unpaid to Tennessee;
- Sales or use taxes owed by the seller in its capacity as a buyer and user or consumer;
- Sales or use taxes already paid or remitted to Tennessee when the seller was registered; or
- Liability for taxes other than sales or use taxes.

Note, information obtained through SSTRS shall not and will not be used by member states to determine nexus for other taxes for which a seller may be liable.

Does a seller request, notify, or apply for amnesty:

No. A seller does not request, notify, or apply to a member state for amnesty. Tennessee would grant amnesty during an audit of the seller. The seller should maintain and provide documentation evidencing the seller **is eligible** and has met all the requirements for amnesty for the periods prior to registration in Tennessee for uncollected or unpaid sales or use tax on sales to purchasers in Tennessee. Such documentation should include registration and filing information in the full member states where the seller makes sales.

How does the Streamlined Sales Tax Registration System (SSTRS) work:

The seller visits the website of the SSTRS at <https://www.streamlinedsalestax.org/for-businesses/sales-tax-registration-sstrs> to register to collect sales or use taxes for the member states in which the seller makes sales. It is a free and simple system to register

for sales and use tax in Streamlined member states and other states that have authorized the use of the SSTRS for registration purposes. Sellers may utilize the SSTRS even if they are already registered in a state. Sellers that want to contract with and use a Certified Service Provider (CSP) must use the SSTRS. Sellers should review the SSTRS webpage to ensure they have the information required for registration readily available. The information provided by the seller in the SSTRS will be sent electronically to all full member states and to associate member states for which the seller has chosen to collect the sales or use tax.

Can the amnesty be voided?

- Yes, the seller must maintain its registration and continue collecting and remitting applicable sales and use taxes for at least 36 months or else the amnesty is voided. Tennessee's statute of limitations provided under Tenn. Code Ann. § 67-1-1501 is tolled during the 36-month period.
- Sellers found to have committed fraud or intentional misrepresentation of a material fact voids the amnesty.

What if I owe money to Tennessee but I do not qualify for the amnesty under the Streamlined Agreement?

If you have not filed returns or have underreported liability on returns for sales and use or other taxes administered by the Department, you may be eligible to enter into a Voluntary Disclosure Agreement. Requests to enter into the voluntary disclosure program must be in writing. The written request may be sent anonymously and should be mailed to the following address: Tennessee Department of Revenue, Discovery Unit, P. O. Box 190644, Nashville, TN 37219 or it can be emailed to voluntary.disclosure@tn.gov.

You may also anonymously call our Audit Division Discovery Unit at (615) 532-6409. More information on the Tennessee Voluntary Disclosure Program may be found at: https://www.tn.gov/content/dam/tn/revenue/documents/taxes/sales/streamlined/vol_dis_ssuta.pdf