



# TENNESSEE SALES & USE TAX

Certificate of Resale

Updated March 2021

# Certificate of Resale

- A Certificate of Resale is provided to a business when it registers for a sales & use tax account with TDOR
- The business may use the certificate to purchase property or services, that it intends to sell, without paying sales & use tax
- Resale certificates are issued by location – each location needs its own certificate
- Certificates do not expire, but are no longer valid when a location is closed

# Example of a Resale Certificate



## STATE OF TENNESSEE DEPARTMENT OF REVENUE

Taxpayer Name  
Address  
City State Zip Code

Letter ID: L1060683776  
Effective Date: March 1, 2017  
Account ID: 1XXXXXXXXX-SLC  
Location ID: 0XXXXXXXXX  
Location Address:  
Taxpayer Name  
Address  
City State Zip Code

### Sales and Use Tax Certificate of Resale

The above named taxpayer has been granted authority in accordance with Tenn. Code Ann. § 67-6-102 and Tenn. Comp. R. & Regs. 1320-05-01-.62 and 1320-05-01-.68 to make purchases intended for subsequent resale without payment of sales or use tax. Any merchandise or other taxable item purchased without the payment of tax upon this resale certificate that is used or consumed in any manner by the taxpayer, or is given away, must be reported and the tax paid directly to the Tennessee Department of Revenue.

The supplier must maintain a file copy as evidence of the sales tax exemption. Later purchases do not require the submission of additional copies.

*Seller's Name*

*Seller's Address (City & State)*

I, \_\_\_\_\_, as an authorized representative of the taxpayer named above, certify that the products or services purchased are intended for subsequent resale by the purchaser for the following reason.

- resale of the tangible personal property, taxable service, taxable amusement, or taxable digital product
- rental or leasing of the tangible personal property
- a component part of a manufactured, assembled, processed or refined finished product that is for resale

Under penalty of perjury, I affirm this to be a true and correct statement.

\_\_\_\_\_  
*Print Name of Authorized Representative*

\_\_\_\_\_  
*Signature of Authorized Representative*

\_\_\_\_\_  
*Date*



# Resale Certificate and Vendors

- Vendors are required to keep resale certificates in their records for three years, plus the current year
- Vendors become liable for sales and use tax if they unlawfully solicit a resale certificate for item(s) they know will not be used for resale

# Verification Process

- Resale certificates can be verified on the TNTAP homepage
  - [https://tntap.tn.gov/eservices/ /](https://tntap.tn.gov/eservices/)
- To look up the validity of a certificate:
  - Locate *Look Up Information*
  - Select *Verify a Sales & Use Tax Certificate*
  - Select *Blanket Sales & Use Tax Certificate of Resale*
  - Input the Location ID
- You may also call the Department of Revenue at 615/253-0600 or send an email to [revenue.support@TN.gov](mailto:revenue.support@TN.gov) for assistance

# Correctly Using a Certificate for Resale

- Each business requesting exemption must submit a copy of the resale certificate at the time of purchase
- Some businesses log previously provided exemption certificates into electronic files or cashiering systems for easy retrieval
- A resale certificate can only be used for items the business intends to resell
- An out-of-state purchaser may use their out-of-state resale certificate
  - TENN. COMP. R. & REGS. 1320-5-1-.29
  - Does not apply to drop shipments

# Other Considerations

- Certificate should not be used to purchase items for use by the business
- Items previously purchased with a resale certificate and then used for business operations must be reported on Line 2 of the sales and use tax return as use tax

# Fraudulent Use of a Certificate for Resale

- It is against the law to knowingly misuse a resale certificate
- Misuse of a resale certificate can result in the Commissioner of the Tennessee Department of Revenue revoking the registration of the business



# For More Information

- Please visit [www.TN.gov/revenue](http://www.TN.gov/revenue) and search under Revenue Help for “Resale Certificate”
- Call the Department of Revenue at 615/253-0600. Hours of operation are 8:00am to 4:30pm Central time, Monday through Friday, excluding holidays
- Send an email to [revenue.support@TN.gov](mailto:revenue.support@TN.gov) for a written reply





**THANK YOU**