

Tennessee State Taxability Matrix

version 2017.0

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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):

Submitting 2017 re-certificate Taxability/Best Practice Matrix with the following changes:

Revised effective date for additional conforming legislation that was scheduled to take effect July 1, 2017 to July 1, 2019 pursuant to 2017 Public Chapter 193.

Added Central Business Improvement District to 11110 to be excluded from sales price.

Updated statute site for definition of "workbook."

Updated statute site for computer software maintenance contract.

Updated statute site for video game digital product.

Added responses to new items requested in Best Practices Maxtrix.

Added comment to Disclosed Practice 3.3 that Commissioner may instruct not to assess for the first 30 days the statute is in effect.

Each item listed in Section 1. Library of Definitions under A (Administrative Definitions), B (Sales Tax Holidays) and C (Product Definitions) of this matrix is defined in the Library of Definitions in the [Streamlined Sales and Use Tax Agreement \(SSUTA\)](#), as amended through May 11, 2017. Refer to Appendix C of the SSUTA for each definition.

Section A of this matrix indicates if the state has adopted the definition provided in the SSUTA and if the item is included in or excluded from the sales price.

Sections B and C of this matrix indicate if the state has adopted the definition provided in the SSUTA and whether the item is taxable or exempt.

Exceptions to the definitions or further explanation of the tax application is provided in the comments column.

Sellers and certified service providers 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 treatment of the terms defined in Section 1.

Section 2. "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 contained in Section 2.

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 Section 1 or 2 of the state's taxability matrix is submitted to the governing board, provided the seller or CSP relied on the prior version of the taxability matrix.

Section 1. Library of Definitions		Treatment		Reference	
A. Administrative Definitions		Included in Sales Price	Excluded From Sales Price	Statute/Rule Cite	Comment
Reference Number	<p>Sales price: Identify how the options listed below are treated in your state.</p> <p>The following options may be excluded from the definition of sales price only if they are separately stated on the invoice, bill of</p>				

	sale or similar document given to the purchaser.				
10010	Charges by the seller for any services necessary to complete the sale other than delivery and installation	X		T.C.A. 67-6-102 (79) (A)(iii)	
10070	Telecommunication nonrecurring charges	X		N/A	
10040	Installation charges	X		T.C.A. 67-6-102 (79) (A)(v)	
10060	Value of trade-in		X	T.C.A. 67-6-102 (79) (B)(iv)	
Reference Number	Delivery Charges for personal property or services other than direct mail. The following charges are included in the definition of sales price unless your state excludes them from sales price when such charges are separately stated on the invoice, bill of sale or similar document given to the purchaser. For responses below assume the charges are separately stated on the document given to the purchaser.	Included in Sales Price	Excluded From Sales Price	Statute/Rule Cite	Comment
11000	Handling, crating, packing, preparation for mailing or delivery, and similar charges	X		T.C.A. 67-6-102 (79) (A)(iv) and 67-6-102 (25)	
11010	Transportation, shipping, postage, and similar charges	X		T.C.A. 67-6-102 (79) (A)(iv) and 67-6-102 (25)	
Reference Number	Delivery Charges for direct mail. The following charges are included in the definition of sales price unless your state excludes them from sales price when such charges are separately stated on the invoice, bill of sale or similar document given to the purchaser. For responses below assume the charges are separately stated on the document given to the purchaser.	Included in Sales Price	Excluded From Sales Price	Statute/Rule Cite	Comment
11020	Handling, crating, packing, preparation for mailing or delivery, and similar charges		X	T.C.A. 67-6-102 (25) and 67-6-102 (30)	
11021	Transportation, shipping, and similar charges		X	T.C.A. 67-6-102 (25) and 67-6-102 (30)	
11022	Postage		X	T.C.A. 67-6-102 (25) and 67-6-102 (30)	
Reference Number	State and Local Taxes - A state may exclude from the sales price any or all state and local taxes on a retail sale that are imposed on the seller, if the state statute authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer. The tax must be separately stated on the invoice, bill of sale or similar document given to the purchaser. Sales and use taxes are not included in the sales price. If applicable list all state and local taxes, other than sales and use taxes imposed on the seller that your state excludes from sales price under this provision.	Included in Sales Price	Excluded From Sales Price	Statute/Rule Cite	Comment
11110	Central Business Improvement District Fee		X	T.C.A. 7-88-117, Metro Nashville Resolution RS2013-873	See also Sales and Use Tax Important Notice 17-02
Reference Number	Tribal Taxes - A state may exclude from the sales price tribal taxes on a retail sale that are imposed on the seller if the Tribal law	Included in Sales Price	Excluded From Sales Price	Statute/Rule Cite	Comment

	<p>authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer.</p> <p>The tax must be separately stated on the invoice, bill of sale or similar document given to the purchaser.</p> <p>If applicable list all tribal taxes on a retail sale that are imposed on the seller if the Tribal law authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer.</p>					
11120		X			NA, T.C.A. 67-6-102 (79) (A)(ii)	
Reference Number	<p>Federal Excise Taxes – A state may exclude federal excise taxes or fees that are not directly imposed on a consumer if the state lists those taxes and a reference to the specific law on the state’s taxability matrix.</p> <p>The tax must be separately stated on the invoice, bill of sale or similar document given to the purchaser.</p> <p>List all federal excise taxes or fees that are not directly imposed on the consumer that your states excludes from the sales price under this provision.</p>	Included in Sales Price	Excluded From Sales Price	Statute/Rule Cite	Comment	
11130		X				
B. Sales Tax Holidays		Yes	No			
Sales Tax Holidays: Does your state have a sales tax holiday?		X				
Reference Number	If yes, indicate the tax treatment during your state sales tax holiday for the following products.	Amount of Threshold	Taxable	Exempt	Statute/Rule Cite	Comment
20060	All Energy star qualified products. If only specific energy star qualified products or energy star qualified classifications, list those below.	\$0	X		N/A	
20060		\$0			N/A	
20150	All Disaster Preparedness Supply	\$0	X		N/A	
20160	Specific Disaster preparedness general supply	\$0	X		N/A	
20170	Specific Disaster preparedness safety supply	\$0	X		N/A	
20180	Specific Disaster preparedness food-related supply	\$0	X		N/A	
20190	Specific Disaster preparedness fastening supply	\$0	X		N/A	
20070	School supply	\$100		X	T.C.A. 67-6-393 (a)(2) and 67-6-102 (83)	

20080	School art supply	\$100		X	T.C.A. 67-6-393 (a)(3) and 67-6-102 (80)	
20090	School instructional material.	\$0	X		T.C.A. 67-6-393 (b)(5) and 67-6-102 (82)	Textbooks and workbooks are exempt from sales and use tax. T.C.A. 67-6-329(a)(3) and 67-6-102 (91) (98)
20100	School computer supply	\$0	X		T.C.A. 67-6-393 (b)(6) and 67-6-102 (81)	
20105	All WaterSense products. If only specific WaterSense products or specified WaterSense classifications on the WaterSense listing, list those below.	\$0	X		N/A	
20105		\$0				
Reference Number	Other products defined in Part II of the Library of Definitions included in your state sales tax holiday.	Amount of Threshold	Taxable	Exempt	Statute/Rule Cite	Comment
20120	Prewritten computer software	\$0	X		NA, T.C.A. 67-6-393 (b)(1) and 67-6-102 (68)	
20130	Clothing	\$100		X	T.C.A. 67-6-393 (a)(1) and 67-6-102 (12)	
20110	Computers	\$1500		X	T.C.A. 67-6-393 (a)(4) and 67-6-102 (17)	
C. Product Definitions			Treatment		Reference	
Reference Number	Clothing and related products		Taxable	Exempt	Statute/Rule Cite	Comment
20010	Clothing		X		T.C.A. 67-6-102 (12) and 67-6-202 (a) and 67-6-702 (a)	
20015	Essential clothing priced below a state specific threshold		X		N/A	
20050	Fur clothing		X		N/A	
20020	Clothing accessories or equipment		X		T.C.A. 67-6-102 (13) and 67-6-202 (a) and 67-6-702 (a)	
20030	Protective equipment		X		T.C.A. 67-6-102 (71) and 67-6-202 (a) and 67-6-702 (a)	
20040	Sport or recreational equipment		X		T.C.A. 67-6-102 (87) and 67-6-202 (a) and 67-6-702 (a)	
Reference Number	Computer related products		Taxable	Exempt	Statute/Rule Cite	Comment
30100	Computer		X		T.C.A. 67-6-102 (17) and 67-6-202(a) and 67-6-702(a)	
30040	Prewritten computer software		X		T.C.A. 67-6-231 (a) and 67-6-702(a) and 67-6-102(68)	Effective, July 1, 2015 Public Chapter 514 Acts of 2015 Section 22 provides sales and

					use tax also applies to the sale, lease, license, subscription and use of computer software that remains in the possession of the seller, or its designee, that is remotely accessed and used by the customer from a Tennessee location. See Important Notice 15-14, Important Notice 15-24, and Remotely Accessed Software Direct Pay Permit Form.
30050	Prewritten computer software delivered electronically	X		T.C.A. 67-6-231 (a) and 67-6-702(a) and 67-6-102(68) (24)	
30060	Prewritten computer software delivered via load and leave	X		T.C.A. 67-6-231 (a) and 67-6-702(a) and 67-6-102(68)	
30015	Non-prewritten (custom) computer software	X		T.C.A. 67-6-231 (a) and 67-6-702(a) and 67-6-102(18)	Effective, July 1, 2015 Public Chapter 514 Acts of 2015 Section 22 provides sales and use tax also applies to the sale, lease, license, subscription and use of computer software that remains in the possession of the seller, or its designee, that is remotely accessed and used by the customer from a Tennessee location. See Important Notice 15-14 Important Notice 15-24, and Remotely Accessed Software Direct Pay Permit Form.
30025	Non-prewritten (custom) computer software delivered electronically	X		T.C.A. 67-6-231 (a) and 67-6-702(a) and 67-6-102(18) (24)	
30035	Non-prewritten (custom) computer software delivered via load and leave	X		T.C.A. 67-6-231 (a) and 67-6-702(a) and 67-6-102(18)	
Reference Number	Mandatory computer software maintenance contracts	Taxable	Exempt	Statute/Rule Cite	Comment
30200	Mandatory computer software maintenance contracts with respect to prewritten computer software	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(19) (68)	
30210	Mandatory computer software maintenance contracts with respect to prewritten computer software which is delivered electronically.	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(19) (24) & (68)	
30220	Mandatory computer software maintenance contracts with respect to prewritten computer software which is delivered via load and leave	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(19) (68)	
30230	Mandatory computer software maintenance contracts with respect to non-prewritten (custom) computer software	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(18) (19)	
30240	Mandatory computer software maintenance contracts with respect to non-prewritten (custom) software which is delivered electronically	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and	

				67-6-102(18) (19) & (24)	
30250	Mandatory computer software maintenance contracts with respect to non-prewritten (custom) software which is delivered via load and leave	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(18) (19)	
Reference Number	Optional computer software maintenance contracts	Taxable	Exempt	Statute/Rule Cite	Comment
30300	Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades with respect to the software	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(19) (68)	
30310	Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades delivered electronically with respect to the software	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(19) (24) & (68)	
30320	Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades delivered via load and leave with respect to the software	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(19) (68)	
30330	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades with respect to the software	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(18) (19)	
30340	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades delivered electronically with respect to the software	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) 67-6-102(18) (19) & (24)	
30350	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades delivered via load and leave with respect to the software	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(18) (19)	
30360	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide support services to the software		X	T.C.A. 67-6-102 (19)	
30370	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that provide updates or upgrades and support services to the software	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(18) (19)	
30380	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that provide updates or upgrades delivered electronically and support services to the software	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(18) (19) & (24)	
30390	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software provide updates or upgrades delivered via load and leave and support services to the software	X		T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(18) (19)	
Reference Number	Indicate your state's tax treatment for optional computer software maintenance contracts with respect to prewritten computer software sold for one non-itemized price that include updates and upgrades and/or support services. Use percentages in the taxable and exempt columns to denote tax treatment in your state. For example: if all taxable put 100% in the taxable column; if all nontaxable/exempt put 100% in the exempt column; if 50% taxable and 50% nontaxable/exempt put	Taxable	Exempt	Statute/Rule Cite	Comment

	50% in the taxable column and 50% in the exempt column.				
30400	Optional computer software maintenance contracts with respect to prewritten computer software that provide updates or upgrades and support services to the software	100%	0%	T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(19) (68)	
30410	Optional computer software maintenance contracts with respect to prewritten computer software that provide updates and upgrades delivered electronically and support services to the software	100%	0%	T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(19) (24) & (68)	
30420	Optional computer software maintenance contracts with respect to prewritten computer software that provide updates and upgrades delivered via load and leave and support services to the software	100%	0%	T.C.A. 67-6-208 (b) (c) (d) and 67-6-702(a) and 67-6-102(19) (68)	
30430	Optional computer software maintenance contracts with respect to prewritten computer software that only provide support services to the software	0%	100%	T.C.A. 67-6-102 (19) (68)	
Reference Number	Digital products(excludes telecommunications services, ancillary services and computer software)	Yes	No	Statute/Rule Cite	Comment
31000	A state imposing tax on products "transferred electronically" is not required to adopt definitions for specified digital products. ("Specified digital products" includes the defined terms: digital audio visual works; digital audio works; and digital books.) Does your state impose tax on products transferred electronically other than digital audio visual works, digital audio works, or digital books?	X		T.C.A. 67-6-233 & 67-6-702(g)(4) & 67-6-102(86) T.C.A. 67-6-312 (b) & 67-6-702(a) & 67-6-102(38) T.C.A. 67-6-312 (c) & 67-6-702(a) & 67-6-102(2) T.C.A. 67-6-226 & 67-6-103(f) & 67-6-714 & 67-6-102(97) T.C.A. 67-6-227 T.C.A. 67-6-233 & 67-6-702(a) & 67-6-102(96)	Specified digital products Digital advertising final artwork Digital advertising materials Video programming service Direct-to-home satellite service Video game digital products Eft. 7-1-2015.
Reference Number	For transactions other than those included above, a state must specifically impose and separately enumerate a broader imposition of the tax. Does your state impose tax on:	Yes	No	Statute/Rule Cite	Comment
31065	Digital audio visual works sold to users other than the end user.		X	T.C.A. 67-6-233 (f) and 67-6-102(28) (86)	
31050	Digital audio visual works sold with rights of use less than permanent use...	X		T.C.A. 67-6-233 (a) & (b)(1) and 67-6-702(g)(4) 67-6-102 (28) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
31060	Digital audio visual works sold with rights of use conditioned on continued payment.	X		T.C.A. 67-6-233 (a) & (b)(2) and 67-6-702(g)(4) 67-6-102(28) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and

					applies general local tax rate
31095	Digital audio works sold to users other than the end user.		X	T.C.A. 67-6-233 (f) and 67-6-102 (27) (86)	
31080	Digital audio works sold with rights of use less than permanent.	X		T.C.A. 67-6-233 (a) & (b)(1) and 67-6-702(g)(4) 67-6-102(27) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
31090	Digital audio works sold with rights of use conditioned on continued payments.	X		T.C.A. 67-6-233 (a) & (b)(2) and 67-6-702(g)(4) 67-6-102(27) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
31125	Digital books sold to users other than the end user.		X	T.C.A. 67-6-233 (f) and 67-6-102(29) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
31110	Digital books sold with rights of use less than permanent.	X		T.C.A. 67-6-233 (a) & (b)(1) and 67-6-702(g)(4) 67-6-102(29) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
31120	Digital books sold with rights of use conditioned on continued payments.	X		T.C.A. 67-6-233 (a) & (b)(2) and 67-6-702(g)(4) 67-6-102(29) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
31121	Does your state treat subscriptions to products "transferred electronically" differently than a non-subscription purchase of such product?		X	T.C.A. 67-6-233 (a) (b)(1) & (b)(2) 67-6-102(27) (28) & (29)	Subscriptions to video programming services and direct-to-home satellite are also subject to tax. See: T.C.A. 67-6-226 & 67-6-227
Reference Number	Digital products(excludes telecommunications services, ancillary services and computer software)	Taxable	Exempt	Statute/Rule Cite	Comment
31040	Digital audio visual works sold to an end user with rights for permanent use	X		T.C.A. 67-6-233 (a) (b)(1) and 67-6-702(g)(4) 67-6-102(28) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
31070	Digital audio works sold to an end user with rights for permanent use	X		T.C.A. 67-6-233 (a) (b)(1) and 67-6-702(g)(4) 67-6-102(27) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 -

					Repeals special 2.5% local tax rate and applies general local tax rate
31100	Digital books sold to an end user with rights for permanent use	X		T.C.A. 67-6-233 (a) (b)(1) and 67-6-702(g)(4) 67-6-102(29) (86)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
Reference Number	Section 332.H. provides that states may have product based exemptions for specific items within specified digital products. ("Specified digital products" includes the defined terms: digital audio visual works; digital audio works; and digital books.) List product based exemptions for specific items included in specified digital products. Example: digital textbooks	Taxable	Exempt	Statute/Rule Cite	Comment
32000	Any specified digital products if equivalent tangible form is exempt.		X	T.C.A. 67-6-329 (d)(1)	
32000	Specified digital products provided without charge with rights of less than permanent use		X	T.C.A. 67-6-329 (d)(2)	
32000	Periodicals printed entirely on newsprint or bond paper and regularly distributed at least twice monthly		X	T.C.A. 67-6-329 (a) (10)	
32000	Textbooks, Workbooks		X	T.C.A. 67-6-329 (a)(3) and 67-6-102(91) (98)	
32000	Digital advertising preliminary artwork	X		T.C.A. 67-6-102 (63) and 67-6-312(a)	Exemption for a qualified advertising agency
32000	Subscriptions to satellite radio services		X	T.C.A. 67-6-233 (d)	
Reference Number	Food and food products	Taxable	Exempt	Statute/Rule Cite	Comment
40010	Candy	X		T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(9)	
40020	Dietary Supplements	X		T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(26)	
40030	Food and food ingredients excluding alcoholic beverages and tobacco	X		T.C.A. 67-6-228 (a) and 67-6-702(a) 67-6-102(41)	
40040	Food sold through vending machines	X		NA, T.C.A. 67-6-228 (a-b) and 67-6-202(a) 67-6-702(h)	
40050	Soft Drinks	X		NA, T.C.A. 67-6-228 (a) and 67-6-702(a)	
40060	Bottled Water	X		NA, T.C.A. 67-6-228 (a) and 67-6-702(a)	
41000	Prepared Food	X		T.C.A 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(66)	
Reference Number	Prepared food options - The following food	Included in Prepared	Excluded From	Statute/Rule Cite	Comment

	items heated, mixed or combined by the seller are included in the definition of prepared food unless a state elects to exclude them from the definition of prepared food. Such food items excluded from prepared food are taxed the same as food and food ingredients. (Indicate how the options for the following food items that otherwise meet the definition of prepared food are treated in your state.)	Food	Prepared Food		
41010	Prepared food sold without eating utensils provided by the seller whose primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries)	X		T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(66)	
41020	Prepared food sold without eating utensils provided by the seller in an unheated state by weight or volume as a single item	X		T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(66)	
41025	Meat or seafood products that meet the definition of prepared food sold without eating utensils provided by the seller in an unheated state by weight or volume as a single item	X		T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(66)	
41030	Bakery items that meet the definition of prepared food sold without eating utensils provided by the seller, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas	X		T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(66)	
41040	Prepared food sold without eating utensils provided by the seller that ordinarily requires cooking (as opposed to just reheating) by the consumer prior to consumption	X		T.C.A. 67-6-228 (b) and 67-6-202(a) 67-6-702(a) 67-6-102(66)	
	Health-care products (indicate how the options are treated in your state)				
Reference Number	Drugs for human use	Taxable	Exempt	Statute/Rule Cite	Comment
51010	Drugs, other than over-the-counter drugs, for human use without a prescription	X		T.C.A. 67-6-102 (33) (59) (67) and 67-6-202(a) 67-6-702(a)	
51020	Drugs, other than over-the-counter drugs, for human use with a prescription		X	T.C.A. 67-6-102 (33) (59) (67) and 67-6-320(a)	
51050	Insulin for human use without a prescription		X	T.C.A. 67-6-320 (b)(1)	
51060	Insulin for human use with a prescription		X	T.C.A. 67-6-320 (b)(1)	
51090	Medical oxygen for human use without a prescription	X		T.C.A. 67-6-320 (b)(2) and 67-6-202(a) 67-6-702(a)	
51100	Medical oxygen for human use with a prescription		X	T.C.A. 67-6-320 (b)(2)	
51130	Over-the-counter drugs for human use without a prescription	X		T.C.A. 67-6-102 (59) (67) and 67-6-202(a) 67-6-702(a)	
51140	Over-the-counter drugs for human use with a prescription		X	T.C.A. 67-6-102 (59) (67) and 67-6-320(a)	
51170	Grooming and hygiene products for human use that don't meet the definition of "drug"	X		T.C.A. 67-6-102 (42) (59) and 67-6-320(a) 67-6-202(a) 67-6-702(a)	
51171	Grooming and hygiene products for human use that meet the definition of "drug" without a prescription	X		T.C.A. 67-6-102 (42) (59) and 67-6-320(a) 67-6-202(a) 67-6-702(a)	

51172	Grooming and hygiene products for human use that meet the definition of "drug" with a prescription		X	T.C.A. 67-6-102 (42) (59) and 67-6-320(a) 67-6-202(a) 67-6-702(a)	
51190	Over-the-counter drugs for human use to hospitals		X	T.C.A. 67-6-320 (a) (b) and Rule 1320-05-01-.26	
51195	Over-the-counter drugs for human use to other medical facilities		X	T.C.A. 67-6-320 (a) (b) and Rule 1320-05-01-.26	
51200	Prescription drugs for human use to hospitals		X	T.C.A. 67-6-320 (a) (b) and Rule 1320-05-01-.26	
51205	Prescription drugs for human use to other medical facilities		X	T.C.A. 67-6-320 (a) (b) and Rule 1320-05-01-.26	
51240	Free samples of drugs for human use	X		T.C.A. 67-6-202 (a) and 67-6-702(a)	
51250	Free samples of prescription drugs for human use		X	T.C.A. 67-6-319 (b)	
Reference Number	Drugs for animal use	Taxable	Exempt	Statute/Rule Cite	Comment
51030	Drugs, other than over-the-counter drugs, for animal use without a prescription	X		T.C.A. 67-6-102 (33) and 67-6-202(a) 67-6-702 (a)	
51040	Drugs, other than over-the-counter drugs, for animal use with a prescription	X		T.C.A. 67-6-102 (33) (67) and 67-6-202(a) 67-6-702(a) 67-6-320(a)	
51070	Insulin for animal use without a prescription		X	T.C.A. 67-6-320 (b)(1)	
51080	Insulin for animal use with a prescription		X	T.C.A. 67-6-320 (b)(1)	
51110	Medical oxygen for animal use without a prescription	X		T.C.A. 67-6-320 (b)(2) and 67-6-202(a) 67-6-702(a)	
51120	Medical oxygen for animal use with a prescription	X		T.C.A. 67-6-320 (b)(2) and 67-6-202(a) 67-6-702(a)	
51150	Over-the-counter drugs for animal use without a prescription	X		T.C.A. 67-6-102 (59) and 67-6-202(a) 67-6-702(a)	
51160	Over-the-counter drugs for animal use with a prescription	X		T.C.A. 67-6-102 (59) (67) and 67-6-320(a) 67-6-202(a) 67-6-702(a)	
51180	Grooming and hygiene products for animal use	X		T.C.A. 67-6-102 (42) (59) and 67-6-320(a) 67-6-202(a) 67-6-702(a)	
51210	Over-the-counter drugs for animal use to veterinary hospitals and other animal medical facilities	X		T.C.A. 67-6-202 (a) and 67-6-702(a) 67-6-351	
51220	Prescription drugs for animal use to veterinary hospitals and other animal medical facilities	X		T.C.A. 67-6-202 (a) and 67-6-702(a) 67-6-351	
51260	Free samples of drugs for animal use	X		T.C.A. 67-6-202 (a) and 67-6-702(a)	
51270	Free samples of prescription drugs for animal use		X	T.C.A. 67-6-319 (a)	

Reference Number	Durable medical equipment (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite	Comment
52010	Durable medical equipment, not for home use, without a prescription	X		T.C.A. 67-6-102 (34) and 67-6-202(a) 67-6-702(a)	
52020	Durable medical equipment, not for home use, with a prescription	X		NA, T.C.A. 67-6-102 (34) and 67-6-202(a) 67-6-702(a)	
52030	Durable medical equipment, not for home use, with a prescription paid for by Medicare	X		NA, T.C.A. 67-6-102 (34) and 67-6-202(a) 67-6-702(a)	
52040	Durable medical equipment, not for home use, with a prescription reimbursed by Medicare	X		NA, T.C.A. 67-6-102 (34) and 67-6-202(a) 67-6-702(a)	
52050	Durable medical equipment, not for home use, with a prescription paid for by Medicaid		X	NA, T.C.A. 67-6-102 (34) and 67-6-308	
52060	Durable medical equipment, not for home use, with a prescription reimbursed by Medicaid	X		NA, T.C.A. 67-6-102 (34) and 67-6-202(a) 67-6-702(a)	
52070	Durable medical equipment for home use without a prescription	X		NA, T.C.A. 67-6-102 (34) and 67-6-202(a) 67-6-702(a)	
52080	Durable medical equipment for home use with a prescription		X	T.C.A. 67-6-102 (34) (67) and 67-6-314(2)	
52090	Durable medical equipment for home use with a prescription paid for by Medicare		X	NA, T.C.A. 67-6-102 (34) (67) and 67-6-314(2)	
52100	Durable medical equipment for home use with a prescription reimbursed by Medicare		X	NA, T.C.A. 67-6-102 (34) (67) and 67-6-314(2)	
52110	Durable medical equipment for home use with a prescription paid for by Medicaid		X	NA, T.C.A. 67-6-102 (34) (67) and 67-6-314(2) 67-6-308	
52120	Durable medical equipment for home use with a prescription reimbursed by Medicaid		X	NA, T.C.A. 67-6-102 (34) (67) and 67-6-314(2)	
52130	Oxygen delivery equipment, not for home use, without a prescription		X	T.C.A. 67-6-314 (3)	
52140	Oxygen delivery equipment, not for home use, with a prescription		X	T.C.A. 67-6-314 (3)	
52150	Oxygen delivery equipment, not for home use, with a prescription paid for by Medicare		X	T.C.A. 67-6-314 (3)	
52160	Oxygen delivery equipment, not for home use, with a prescription reimbursed by Medicare		X	T.C.A. 67-6-314 (3)	
52170	Oxygen delivery equipment, not for home use, with a prescription paid for by Medicaid		X	T.C.A. 67-6-314 (3)	
52180	Oxygen delivery equipment, not for home use, with a prescription reimbursed by Medicaid		X	T.C.A. 67-6-314 (3)	
52190			X	T.C.A. 67-6-314 (3)	

	Oxygen delivery equipment for home use without a prescription				
52200	Oxygen delivery equipment for home use with a prescription		X	T.C.A. 67-6-314 (3)	
52210	Oxygen delivery equipment for home use with a prescription paid for by Medicare		X	T.C.A. 67-6-314 (3)	
52220	Oxygen delivery equipment for home use with a prescription reimbursed by Medicare		X	T.C.A. 67-6-314 (3)	
52230	Oxygen delivery equipment for home use with a prescription paid for by Medicaid		X	T.C.A. 67-6-314 (3)	
52240	Oxygen delivery equipment for home use with a prescription reimbursed by Medicaid		X	T.C.A. 67-6-314 (3)	
52250	Kidney dialysis equipment, not for home use, without a prescription		X	T.C.A. 67-6-314 (4)	
52260	Kidney dialysis equipment, not for home use, with a prescription		X	T.C.A. 67-6-314 (4)	
52270	Kidney dialysis equipment, not for home use, with a prescription paid for by Medicare		X	T.C.A. 67-6-314 (4)	
52280	Kidney dialysis equipment, not for home use, with a prescription reimbursed by Medicare		X	T.C.A. 67-6-314 (4)	
52290	Kidney dialysis equipment, not for home use, with a prescription paid for by Medicaid		X	T.C.A. 67-6-314 (4)	
52300	Kidney dialysis equipment, not for home use, with a prescription reimbursed by Medicaid		X	T.C.A. 67-6-314 (4)	
52310	Kidney dialysis equipment for home use without a prescription		X	T.C.A. 67-6-314 (4)	
52320	Kidney dialysis equipment for home use with a prescription		X	T.C.A. 67-6-314 (4)	
52330	Kidney dialysis equipment for home use with a prescription paid for by Medicare		X	T.C.A. 67-6-314 (4)	
52340	Kidney dialysis equipment for home use with a prescription reimbursed by Medicare		X	T.C.A. 67-6-314 (4)	
52350	Kidney dialysis equipment for home use with a prescription paid for by Medicaid		X	T.C.A. 67-6-314 (4)	
52360	Kidney dialysis equipment for home use with a prescription reimbursed by Medicaid		X	T.C.A. 67-6-314 (4)	
52370	Enteral feeding systems, not for home use, without a prescription		X	T.C.A. 67-6-314 (5)	
52380	Enteral feeding systems, not for home use, with a prescription		X	T.C.A. 67-6-314 (5)	
52390	Enteral feeding systems, not for home use, with a prescription paid for by Medicare		X	T.C.A. 67-6-314 (5)	
52400	Enteral feeding systems, not for home use, with a prescription reimbursed by Medicare		X	T.C.A. 67-6-314 (5)	
52410	Enteral feeding systems, not for home use, with a prescription paid for by Medicaid		X	T.C.A. 67-6-314 (5)	
52420	Enteral feeding systems, not for home use, with a prescription reimbursed by Medicaid		X	T.C.A. 67-6-314 (5)	
52430	Enteral feeding systems for home use without a prescription		X	T.C.A. 67-6-314 (5)	
52440	Enteral feeding systems for home use with a prescription		X	T.C.A. 67-6-314 (5)	

52450	Enteral feeding systems for home use with a prescription paid for by Medicare		X	T.C.A. 67-6-314 (5)	
52460	Enteral feeding systems for home use with a prescription reimbursed by Medicare		X	T.C.A. 67-6-314 (5)	
52470	Enteral feeding systems for home use with a prescription paid for by Medicaid		X	T.C.A. 67-6-314 (5)	
52480	Enteral feeding systems for home use with a prescription reimbursed by Medicaid		X	T.C.A. 67-6-314 (5)	
52490	Repair and replacement parts for durable medical equipment which are for single patient use	X		T.C.A. 67-6-102 (34) (B) and 67-6-202(a) 67-6-702(a)	
Reference Number	Mobility enhancing equipment (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite	Comment
53010	Mobility enhancing equipment without a prescription	X		T.C.A. 67-6-102 (53) and 67-6-202(a) 67-6-702(a)	
53020	Mobility enhancing equipment with a prescription		X	T.C.A. 67-6-102 (53) (67) and 67-6-314(6)	
53030	Mobility enhancing equipment with a prescription paid for by Medicare		X	NA, T.C.A. 67-6-102 (53) (67) and 67-6-314(6)	
53040	Mobility enhancing equipment with a prescription reimbursed by Medicare		X	NA, T.C.A. 67-6-102 (53) (67) and 67-6-314(6)	
53050	Mobility enhancing equipment with a prescription paid for by Medicaid		X	NA, T.C.A. 67-6-102 (53) (67) and 67-6-314(6) 67-6-308	
53060	Mobility enhancing equipment with a prescription reimbursed by Medicaid		X	NA, T.C.A. 67-6-102 (53) (67) and 67-6-314(6)	
Reference Number	Prosthetic devices (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite	Comment
54010	Prosthetic devices without a prescription		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54020	Prosthetic devices with a prescription		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54030	Prosthetic devices with a prescription paid for by Medicare		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54040	Prosthetic devices with a prescription reimbursed by Medicare		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54050	Prosthetic devices with a prescription paid for by Medicaid		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54060	Prosthetic devices with a prescription reimbursed by Medicaid		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54070	Corrective eyeglasses without a prescription	X		T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54080	Corrective eyeglasses with a prescription	X		T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt

54090	Corrective eyeglasses with a prescription paid for by Medicare	X		T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54100	Corrective eyeglasses with a prescription reimbursed by Medicare	X		T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54110	Corrective eyeglasses with a prescription paid for by Medicaid	X		T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54120	Corrective eyeglasses with a prescription reimbursed by Medicaid	X		T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54130	Contact lenses without a prescription	X		T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54140	Contact lenses with a prescription	X		T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54150	Contact lenses with a prescription paid for by Medicare	X		T.C.A. 67-6-102 (70) 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54160	Contact lenses with a prescription reimbursed by Medicare	X		T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54170	Contact lenses with a prescription paid for by Medicaid	X		T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54180	Contact lenses with a prescription reimbursed by Medicaid	X		T.C.A. 67-6-102 (70) and 67-6-316 67-6-202(a) 67-6-702(a)	Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54190	Hearing aids without a prescription		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54200	Hearing aids with a prescription		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54210	Hearing aids with a prescription paid for by Medicare		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54220	Hearing aids with a prescription reimbursed by Medicare		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54230	Hearing aids with a prescription paid for by Medicaid		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54240	Hearing aids with a prescription reimbursed by Medicaid.		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54250	Dental prosthesis without a prescription		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	
54260	Dental prosthesis with a prescription		X	T.C.A. 67-6-102 (70) and 67-6-314(1)	

54270	Dental prosthesis with a prescription paid for by Medicare		X	T.C.A 67-6-102 (70) and 67-6-314(1)	
54280	Dental prosthesis with a prescription reimbursed by Medicare		X	T.C.A 67-6-102 (70) and 67-6-314(1)	
54290	Dental prosthesis with a prescription paid for by Medicaid		X	T.C.A 67-6-102 (70) and 67-6-314(1)	
54300	Dental prosthesis with a prescription reimbursed by Medicaid		X	T.C.A 67-6-102 (70) and 67-6-314(1)	
Reference Number	Telecommunications & related products	Taxable	Exempt	Statute/Rule Cite	Comment
60010	Ancillary Services	X		T.C.A. 67-6-102 (7) and 67-6-205(c)(9) 67-6-702(g)(2)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
60020	Conference bridging service	X		T.C.A. 67-6-102 (7)(A) and 67-6-205(c) (9) 67-6-702(g)(2)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
60030	Detailed telecommunications billing service	X		T.C.A. 67-6-102 (7)(B) and 67-6-205(c)(9) 67-6-702(g)(2)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
60040	Directory assistance	X		T.C.A. 67-6-102 (7)(C) and 67-6-205(c) (9) 67-6-702(g)(2)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
60050	Vertical service	X		T.C.A. 67-6-102 (7)(D) and 67-6-205(c)(9) 67-6-702(g)(2)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
60060	Voice mail service	X		T.C.A. 67-6-102 (7)(E) and 67-6-205(c)(9) 67-6-702(g)(2)	2009 PC 530 Sec 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate and applies general local tax rate
Reference Number	Telecommunications (Indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite	Comment
61000	Intrastate Telecommunications Service	X		T.C.A 67-6-102 (90) (47) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193,

					Eft. date 7/1/19 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61010	Interstate Telecommunications Service	X		T.C.A. 67-6-102 (90) (46) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates
61020	International Telecommunications Service	X		T.C.A. 67-6-102 (90) (45) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates
61030	International 800 service	X		T.C.A. 67-6-102 (90) (45) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates
61040	International 900 service	X		T.C.A. 67-6-102 (90) (45) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates
61050	International fixed wireless service	X		T.C.A. 67-6-102 (90) (45) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international

					residential; and 0% local tax rate on international business and applies general state and local tax rates
61060	International mobile wireless service	X		T.C.A. 67-6-102 (90) (45) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates
61080	International prepaid calling service	X		T.C.A. 67-6-102 (90) (45) & (64) and 67-6-230(a) 67-6-702(a)	
61090	International prepaid wireless calling service	X		T.C.A. 67-6-102 (90) (45) & (65) and 67-6-230(a) 67-6-702(a)	
61100	International private communications service	X		T.C.A. 67-6-102 (90) (45) & (69) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates
61110	International value-added non-voice data service	X		T.C.A. 67-6-102 (90) (45) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates
61120	International residential telecommunications service	X		T.C.A. 67-6-102 (90) (45) and 67-6-205(a)(c)(3) 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on international business; 1.5% local tax rate on international residential; and 0% local tax rate on international business and applies general state and local tax rates
61130	Interstate 800 service	X		T.C.A. 67-6-102 (90) (46) and	2009 PC 530 Secs 35 & 42, 2011 PC 72,

				67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates
61140	Interstate 900 service	X		T.C.A. 67-6-102 (90) (46) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates
61150	Interstate fixed wireless service	X		T.C.A. 67-6-102 (90) (46) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates
61160	Interstate mobile wireless service	X		T.C.A. 67-6-102 (90) (46) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates
61180	Interstate prepaid calling service	X		T.C.A. 67-6-102 (90) (46) & (64) and 67-6-230(a) 67-6-702(a)	
61190	Interstate prepaid wireless calling service	X		T.C.A. 67-6-102 (90) (46) & (65) and 67-6-230(a) 67-6-702(a)	
61200	Interstate private communications service	X		T.C.A. 67-6-102 (90) (46) & (69) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193 Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general

					state and local tax rates
61210	Interstate value-added non-voice data service	X		T.C.A. 67-6-102 (90) (46) and 67-6-205(a) (c)(3) 67-6-221 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates
61220	Interstate residential telecommunications service	X		T.C.A. 67-6-102 (90) (46) and 67-6-205(a) (c)(3) 67-6-702(g)(1)	2009 PC 530 Secs 35 & 42, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special rates of 7.5% state tax rate on interstate business; 1.5% local tax rate on interstate residential; and 0% local tax rate on interstate business and applies general state and local tax rates
61230	Intrastate 800 service	X		T.C.A. 67-6-102 (90) (47) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61240	Intrastate 900 service	X		T.C.A. 67-6-102 (90) (47) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61250	Intrastate fixed wireless service	X		T.C.A. 67-6-102 (90) (47) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193 Eft. date 7/1/19 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61260	Intrastate mobile wireless service	X		T.C.A. 67-6-102 (90) (47) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193 Eft. date 7/1/19 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61280	Intrastate prepaid calling service	X		T.C.A. 67-6-102 (90) (47) & (64) and 67-6-230(a) 67-6-702(a)	
61290	Intrastate prepaid wireless calling service	X		T.C.A. 67-6-102 (90) (47) & (65) and 67-6-230(a) 67-6-702(a)	

61300	Intrastate private communications service	X		T.C.A 67-6-102 (90) (47) & (69) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35,2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61310	Intrastate value-added non-voice data service	X		T.C.A 67-6-102 (90) (47) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35,2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193. Eft. date 7/1/19 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61320	Intrastate residential telecommunications service	X		T.C.A 67-6-102 (90) (47) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61325	Paging service	X		T.C.A 67-6-102 (90) and 67-6-205(a) (c)(3) 67-6-702(g)(2)	2009 PC 530 Sec. 35, 2011 PC 72, 2013 PC 480, 2015 PC 273, 2017 PC 193, Eft. date 7/1/19 - Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61330	Coin-operated telephone service		X	T.C.A. 67-6-102 (14) and 67-6-329(b)(1)	
61340	Pay telephone service			N/A	
61350				N/A	
Section 2. Tax Administration Practices					
Disclosed Practice 1 - Tax Administration Practices on Vouchers from Appendix E of the SSUTA		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.	
Reference Number	Disclosed Practice 1 - Vouchers			Statute/Rule Cite	Comment
Voucher Definition	<p>As used herein, a voucher is an instrument that is:</p> <p>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;</p> <p>b. redeemable for personal property or services in a single visit only at the seller's business;</p> <p>c. redeemable either for a specific product or for a certain dollar amount towards the purchase price of any product sold by the seller;</p> <p>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</p>				NA, Tennessee has not adopted this definition for voucher.

	<p>party agreement");</p> <p>e. not a digital code as defined by the Agreement or its Rules;</p> <p>f. not a ticket for an admission to a specific performance or event on a specific date and time;</p> <p>g. not a gift card or gift certificate nor is it convertible, in whole or in part, to gift cards, gift certificates or cash;</p> <p>h. not usable in combination with other promotions or coupons offered by the seller; and</p> <p>i. not a prepaid calling service or a prepaid wireless calling service.</p> <p>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.</p>				
Reference Number	Disclosed Practice 1 - Vouchers	Yes	No	Statute/Rule Cite	Comment
Vouchers 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.	X		T.C.A. 67-6-102 (79)	
Vouchers 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.	X		T.C.A. 67-6-102 (79)	
Vouchers 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.	X		T.C.A. 67-6-102 (79)	
Disclosed Practice 2 - Tax Administration Practices on Credits from Appendix E of the SSUTA		Does Your State Follow this Practice?		For Sections With Only No Responses, Describe Your State's Tax Treatment. Add Additional Comments if Desired.	
Reference Number	Disclosed Practice 2 - Credits	Yes	No	Statute/Rule Cite	Comment
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.				NA, Tennessee has not adopted this definition for tax paid.
Reference Number	2.1 Credit Against Use Tax	Yes	No	Statute/Rule Cite	Comment
Credits 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.	X		T.C.A. 67-6-507 (a) and 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.
Reference Number	2.2 Credit Against Sales Tax	Yes	No	Statute/Rule Cite	Comment
Credits 2.2	The State imposing tax provides credit for the "sales or use taxes paid" on a product against the State's sales tax.		X	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.
Reference Number	2.3 Reciprocity	Yes	No	Statute/Rule Cite	Comment
Credits 2.3.a	The credit the State provides in 2.1 and 2.2 applies regardless of whether another state provides a reciprocal credit.	X		T.C.A. 67-6-507 (a) and 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.
Credits 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.		X		The tax paid in the other state must be a sales or use tax to receive credit in Tennessee against the use tax due.
Reference Number	2.4 State and Local Sales and Use "Tax Paid"	Yes	No	Statute/Rule Cite	Comment
Credits 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.	X			
Credits 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.		X		
Reference Number	2.5 Credit for "Similar Tax" Paid to Another Jurisdiction	Yes	No	Statute/Rule Cite	Comment
Credits 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."		X	T.C.A. 67-6-507 (a) and 67-6-313(f) Rule 1320-05-01-.91(1)	NA, 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					NA
Reference Number	2.6. Credit Against "Similar Tax" Imposed by the State	Yes	No	Statute/Rule Cite	Comment
Credits 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.		X		NA, 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 2.6					NA
Reference Number	2.7 Sourcing when Receipt Location is Known	Yes	No	Statute/Rule Cite	Comment
Credits 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.		X		Streamlined sourcing is not scheduled to take effect in Tennessee until 7/1/2019. 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.
Reference Number	2.8 Sourcing when Receipt Location is Unknown	Yes	No	Statute/Rule Cite	Comment
Credits 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.	X			Streamlined sourcing is not scheduled to take effect in Tennessee until 7/1/2019. 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.
Reference Number	2.9 Characterization of Sale	Yes	No	Statute/Rule Cite	Comment
Credits 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.	X			Tennessee would impose tax and give credit based on Tennessee law. Tennessee imposes use tax on tangible personal property, specified digital products, computer software, and computer software maintenance contracts and warranty contracts covering tangible personal property in Tennessee.
Reference Number	2.10 Sales Price Components	Yes	No	Statute/Rule Cite	Comment
Credits 2.10.a.	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.	X		T.C.A. 67-6-102 (79)	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.
Credits 2.10.b.	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.		X		NA
Reference Number	2.11 Transactions with Taxable and Exempt Products	Yes	No	Statute/Rule Cite	Comment
Credits 2.11.a.	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.		X		NA
Credits 2.11.b.	2.11.b. Partial Credit Allowed - When taxable and non-taxable products are	X			

Reference Number	2.12 Audit Sampling	Yes	No	Statute/Rule Cite	Comment
Credits 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.	X		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.
Reference Number	2.13 Direct Mail	Yes	No	Statute/Rule Cite	Comment
Credits 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.	X			Streamlined sourcing is not scheduled to take effect in Tennessee until 7/1/2019. 2.1-Credit for sales tax paid in another state is given when title to Advertising and Promotional Direct Mail transfers to the purchaser outside Tennessee, prior to the recipients' receipt of the direct mail in Tennessee.
Reference Number	2.14 Accelerated Payments on Lease/Rentals	Yes	No	Statute/Rule Cite	Comment
Credits 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.	X		T.C.A. 67-6-507 (a) and 67-6-313(f) Rule 1320-05-01-.91(1)	
Reference Number	2.15 Inception-Deferred Collection on Lease/Rentals	Yes	No	Statute/Rule Cite	Comment
Credits 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.		X	T.C.A. 67-6-507 (a) and 67-6-313(f) Rule 1320-05-01-.91(1)	To receive credit the tax must be paid.
Reference Number	2.16 Lessor Acquisition	Yes	No	Statute/Rule Cite	Comment
Credits 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.		X	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 - Tax Administration Practices on Liability Relief from Appendix E of the SSUTA		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.	
(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.)					
Reference Number	Disclosed Practice 3 – Liability Relief	Yes	No	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.	X		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.		X		
Liability Relief 3.2.a.	Liability Relief for Tax		X		
Liability Relief 3.2.b.	Liability Relief for Interest		X		
Liability Relief 3.2.c.	Liability Relief for Penalties		X		
	Disclosed Practice 3.3 Extended liability relief for changes to the library of definitions section of the taxability matrix	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	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.		X		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		X		
Liability Relief 3.3.b.	Liability Relief for Interest		X		
Liability Relief 3.3.c.	Liability Relief for Penalties		X		
Disclosed Practice 4 - Tax Administration Practices		Does Your State Follow this Practice?		If You Answered No, Describe the	

on Acceptance of Limited Power-of-Attorney/Agent Authorization (Limited POA/AA) Form from Appendix E of the SSUTA		Practice?		Difference Between the Practice as Adopted by the Governing Board and Your State's Treatment. Add Additional Comments if Desired.	
Reference Number	Disclosed Practice 4 – Acceptance of Limited Power-of-Attorney/Agent Authorization Form – Form F0023				
Disclosed Practice 4.1	Acceptance of Form F0023 From CSPs	Yes	No	Statute/Rule Cite	Comment
Limited POA/AA 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.	X			
Disclosed Practice 4.2	Acceptance of Form F0023 From Persons Other Than CSPs	Yes	No	Statute/Rule Cite	Comment
Limited POA/AA 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.	X			
Disclosed Practice 5. Tax Administration Practices on Post Transaction Issues from Appendix E of the SSUTA		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.	
Reference Number	Disclosed Practice 5 – Post Transaction Issues 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.				

	Disclosed Practice 5.1 - Refund Procedure Document	Yes	No	Statute/Rule Cite	Comment
Post Transactions 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.)	X			http://www.tn.gov/revenue/article/forms-sales-and-use-tax Click on: 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 new Departmental website called 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?	Yes	No	Statute/Rule Cite	Comment
Post Transactions 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.		X		
Post Transactions 5.2.b.	It begins on the date the tax on the sale was due by the seller to the state.		X		
Post Transactions 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.		X		
Post Transactions 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.		X		
Post Transactions 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 seller's claim begins in the comments section.	X		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?	Yes	No	Statute/Rule Cite	Comment
Post Transactions 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.	X		T.C.A. 67-1-1802(a)(1)	
Post Transactions 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.		X		
Post Transactions 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.				NA
	Disclosed Practice 5.4 - Documentation to Prove Refund of Tax to Customer	Yes	No	Statute/Rule Cite	Comment
Post Transactions 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?		X	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)	Yes	No	Statute/Rule Cite	Comment
Post Transactions 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.	X		T.C.A. 67-6-507(c)	
Post Transactions 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.	X		T.C.A. 67-6-507(c)	
Post Transactions 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.	X		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?	Yes	No	Statute/Rule Cite	Comment
Post Transactions 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.	X		Rule 1320-05-01.79	Seller must refund the tax collected to the purchaser. A sellers 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.
Post Transactions 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?	X			
	Disclosed Practice 5.7 - Taxability of Return Fees	Yes	No	Statute/Rule Cite	Comment
Post Transactions 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?		X		Tennessee does not impose sales tax on restocking fees.
Post Transactions 5.7.b.	Does your state impose a sales tax on a charge for the use (e.g. wear and tear) of a product?	X		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	Yes	No	Statute/Rule Cite	Comment
Post Transactions 5.8	Does your state treat the refund in the form of store credit the same as a cash refund for returned products?	X			
	Disclosed Practice 5.9 - Simultaneous Return and Sale	Yes	No	Statute/Rule Cite	Comment
Post Transactions 5.9.a.	Does your state allow the seller to only collect and remit the additional	X		Rule 1320-05-01-.79	A sellers records must show that customers

	tax on the price difference of a returned product when the replacement product costs more? If no, explain in the comments section.				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.
Post Transactions 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.	X		T.C.A. 67-6-507(c)	
	Disclosed Practice 5.10 - Refund Pending State Approval	Yes	No	Statute/Rule Cite	Comment
Post Transactions 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?		X	T.C.A. 67-1-1802(a)(1)(A) 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, unless the taxpayer has refunded or credited the sales or use tax to its customers.
Post Transactions 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?		X	T.C.A. 67-1-1802(a)(1)(A) 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.
Post Transactions 5.10.c.	Does your state require the seller to refund the tax to the customer prior to obtaining a refund from the state?	X		T.C.A. 67-1-1802(a)(1)(A) Rule 1320-05-01-.79	
	Disclosed Practice 5.11 - Seller Refund When Customer Did Not Pay Tax	Yes	No	Statute/Rule Cite	Comment
Post Transactions 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?	X		T.C.A. 67-1-1802(a)(1)(A) 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	Yes	No	Statute/Rule Cite	Comment
Post Transactions 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?	X		T.C.A. 67-1-1802(a)(1)(A) Rule 1320-05-01-.79	A sellers 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	Yes	No	Statute/Rule Cite	Comment
Post Transactions 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?		X	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	Yes	No	Statute/Rule Cite	Comment
Post Transactions 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.	X		T.C.A. 67-6-507(c)	The documentation must clearly identify the purchaser name and address in addition to 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	Yes	No	Statute/Rule Cite	Comment
Post Transactions 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.		X	T.C.A. 67-1-1802(a)(1)(A) Rule 1320-05-01-.79	Only exceptions are certain refunds related to pollution control, certified green energy production facilities, and refunds where an individual paid the use tax directly to a County Clerk.
Post Transactions 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.		X	T.C.A. 67-1-1802(a)(1)(A)	Refunds can only be made to parties paying the tax directly to the State of Tennessee.
Disclosed Practice 6. Tax Administration Practices on Determining the Earliest Possible Date to Register Without It Adversely Affecting a Voluntary Disclosure Agreement (VDA) from Appendix E of the SSUTA		Does Your State Follow this Practice?		If You Answered Yes, Describe the Adverse Affect on the VDA. Add Additional Comments if Desired.	
Reference Number	Disclosed Practice 6.1 - For each of the scenarios below, indicate whether registration to collect and remit sales and use taxes with your state adversely affects a VDA.	Yes	No	Statute/Rule Cite	Comment
Voluntary Disclosure Agreement 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.	X			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.
Voluntary Disclosure 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.	X			
Voluntary Disclosure Agreement 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.	X			