



BUSINESS TAX LAW CHANGES

September 2023 Tax Webinar



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Thanks for joining us!

We will begin at 9:00 am (CST)

➤ **Please check your audio settings. See below for resources in case you experience audio or other technical difficulties:**

- Contact WebEx Support <https://help.webex.com/contact/>
- Link to Technical Service Resource Guide <https://www.cisco.com/c/en/us/support/web/tac/technical-services-resource-guide.html>
- Try leaving and then re-entering the event

View a recording of today's presentation!

[tn.gov/revenue](https://www.tn.gov/revenue) > Taxpayer Education > Tax Webinars

<https://www.tn.gov/revenue/taxpayer-education/tax-webinars.html>

The webinar recording will be posted in the "Webinar Video Library" the day after the event.

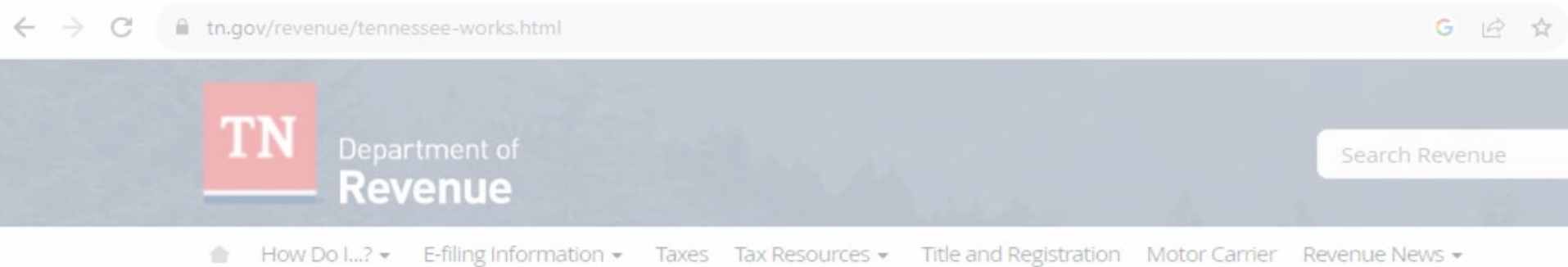
➤ **Please submit specific account-related questions or any questions that do not get addressed in this webinar to us directly!**

- www.tn.gov/Revenue
- Revenue.support@tn.gov
- 615.253.0600 (M-F 8-4:30 CST)



TN Works Tax Act

tn.gov/revenue/tennessee-works



- **Supporting Families: Grocery Tax Holiday & Paid Family Leave Credit**
- **Boosting Small Businesses: \$150 Million in Tax Cuts**
- **Ensuring Future Economic Growth**

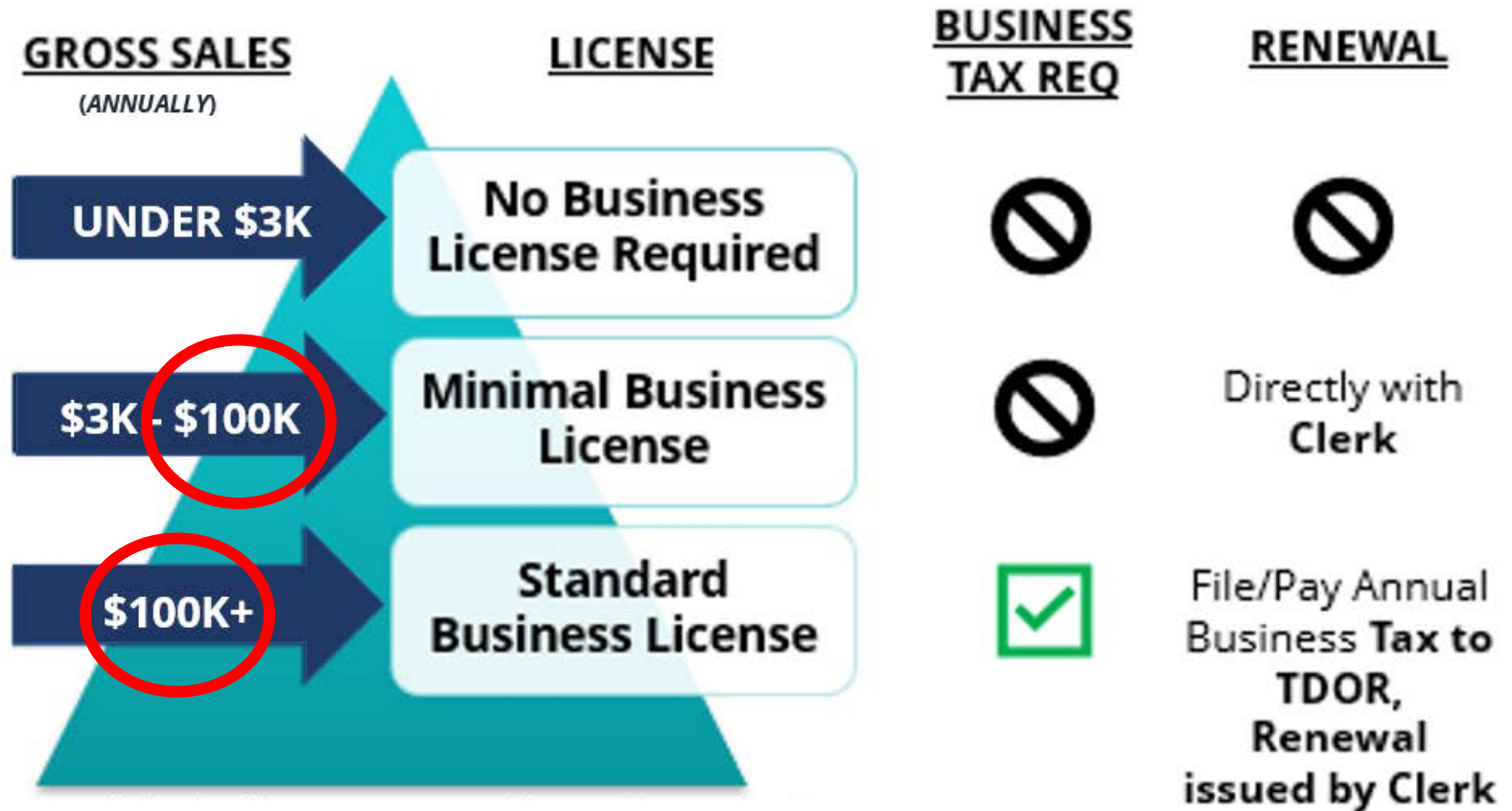
Tennessee Works Tax Act

Business Tax Changes

- **Increases the business tax filing threshold to \$100,000 per jurisdiction.**
- **Reduces the business tax rate on Classification 5A taxpayers from 0.3% to 0.1%.**
- **Expands the business tax manufacturing exemption to include storage facilities within a 10-mile radius.**

[Important Notice #23-08](#)

Business Tax/Licensing – New Threshold



NEW THRESHOLD based on total gross per jurisdiction

Class 4 Contractors

Contractor “Deemed Location” Threshold Increases to \$100,000

- The TN Works Tax Act also increases the gross sales threshold for contractors who perform contracts in Tennessee from \$50,000 to \$100,000.
- These contractors will only be considered to have established a “deemed location” in a given jurisdiction if their annual gross receipts are more than \$100,000.

In-State Class 4 Contractors

GROSS	LICENSE FROM...	STATE (COUNTY) LEVEL TAX	MUNICIPAL (CITY) LEVEL TAX
\$0-\$2,999	n/a	<p>Receipts under \$100k from contracts in a county/city other than the contractor's place of domicile must be reported on the return for the county/city of their domicile location*.</p> <p>*If there is no domicile city (i.e. contractor is in unincorporated area), city receipts under \$100k are not reported to any city.</p>	
\$3000-\$100,000	MINIMAL ACTIVITY LICENSE (from domicile and/or deemed location(s))		
\$100,000+	STANDARD LICENSE (from domicile and/or deemed location(s))	<p>Receipts over \$100k** are reported on the return for the location where receipts are generated</p> <p>**If there are receipts for over \$100k in an unincorporated area, those receipts are not reported to any municipality.</p>	

Out-of-State Class 4 Contractors

GROSS	LICENSE FROM...	STATE (COUNTY) LEVEL TAX	MUNICIPAL (CITY) LEVEL TAX
Under \$100,000	n/a	no	no
\$100,000+	STANDARD LICENSE (COUNTY/ CITY)	Yes, reported on return for county location	Yes, reported on return for city location

Next Steps

GROSS RECEIPTS FOR FY2023	ACTION NEEDED	RENEWING YOUR LICENSE
LESS THAN \$100,000	CONTACT TDOR RE: CHANGING STATUS OF BUSINESS TAX ACCOUNT*	RENEW DIRECTLY WITH CLERK(S) UPON LICENSE EXPIRATION**
MORE THAN \$100,000	MUST FILE/PAY BY FILING DEADLINE	FILE/PAY BUSINESS TAX AND CLERK WILL ISSUE RENEWED LICENSE
NOT SURE	WAIT FOR NOW, MUST EITHER CHANGE ACCOUNT STATUS <u>OR</u> FILE/PAY BY FILING DEADLINE	DEPENDS

*** Upon the taxpayer requesting changing the business tax account status to “filing not required”, TDOR will communicate this action to the appropriate city/county clerk's office.**

**** Current license will be good until the expiration date listed on the license.**



Timeline



Businesses grossing under \$100k for FYE 12/31/2023 should contact TDOR to request changing business tax account to “filing not required”

Oct. '23 - TDOR sending letter to business tax accounts (new accounts & accounts with previous reported receipts ~\$100k), re: new threshold

4/15/24 - Filing deadline for FYE 12/31/23

5/15/24 - Business Licenses expire for FYE 12/31/23



FAQs

I currently have a business tax account and feel confident that my gross receipts will be under \$100k:

- Contact TDOR to request changing business tax account to “filing not required” before the filing deadline, we will inform the county/city clerk
- Your current business license will be valid until the expiration date (May 2024 for most licenses)
- Visit the county/city clerk to renew the license upon expiration

FAQs

I currently have a business tax account but am not sure if my 2023 gross receipts will be over \$100k

- Wait until you know if your gross receipts will fall over/under the threshold
 - If you determine that gross receipts will fall under the threshold, contact TDOR to request changing business tax account to “filing not required” and then renew your license directly with the clerk(s) upon license expiration
 - If you determine that gross receipts will fall over the threshold, file/pay business tax before the filing deadline in order to renew your license(s)

FAQs

I currently have a business tax account and am confident that my 2023 gross receipts will be over \$100k:

- There is no need to make any changes to your account
- File/pay business tax before the filing deadline in order to renew your license(s)

FAQs

What if I fail to close my business tax account and do not file/pay before the filing deadline:

- Your business license will not be renewed until:
 - You contact TDOR to request changing business tax account to “filing not required” and then renew license directly with clerk(s), **OR**
 - File/pay business tax (+penalty & interest) to renew license

Resources – www.tn.gov/revenue

The image shows a screenshot of the TN Department of Revenue website. At the top left is the TN logo and the text "Department of Revenue". To the right is a search bar labeled "Search Revenue" and a "Go to TN.gov" link. Below the header is a navigation menu with items like "How Do I...?", "E-filing Information", "Taxes", "Tax Resources", "Title a...", "Motor Carrier", and "Revenue News". A dropdown menu is open under "Tax Resources", listing "Tax Guidance", "Tax Compliance Information", "Forms", and "Tax Collections & Reporting". A mouse cursor points to "Tax Guidance".

Overlaid on the website are several promotional tiles:

- A "New Business Webinars July 12" tile with a left-pointing arrow and the text "Click here for more information."
- A "TNTAP E-File & Pay" tile with a background image of tax forms.
- A "Questions? Revenue Help" tile with a chalkboard background and a hand writing "Questions?". A mouse cursor points to it.
- A "HOT TOPICS News & Publications" tile with a grey background.
- A "Tax Webinars" tile with a laptop background and the TN logo.
- A "Taxpayer Education & Outreach" tile with a dark background and the TN logo.

At the bottom left is a red square with the white text "TN".

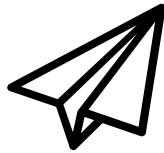
CONTACT US!



**Please submit
specific
account-
related
questions, or
any questions
directly to us!**



www.tn.gov/Revenue



Revenue.Support@tn.gov



615.253.0600 (Tax Call Center)



500 Deaderick St.
Nashville, TN 37242



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UPCOMING!

- **Next Webinar: 10/31 – Filing the Sales Tax Return**
- **New Business Workshop: 10/4/23**



Taxpayer Education & Outreach



**PLEASE TAKE A MOMENT
TO COMPLETE A BRIEF
SURVEY UPON EXITING!**

IMPORTANT: In order to receive CPE credit for attending, you must answer yes to question 4 of the post-event survey.