

## **Registration for Sales and Use Tax in Tennessee**

Tennessee's tax laws require dealers to register for sales and use tax. This applies to in-state dealers and also to certain out-of-state dealers, who, because of their in-state activities, are required to collect Tennessee's sales and use tax.

The following activities, when performed in Tennessee, would require a company to register to collect and remit sales and use tax:

- Using in-state solicitors, whether employees, agents, or independent contractors
- Conducting in-state promotional activities by company personnel, including participation in trade shows
- Having a subsidiary of your business physically present in Tennessee that acts as an agent for you as an out-of-state dealer or that is conducts activities in Tennessee on behalf of you as the out-of-state dealer
- Using company-owned trucks or using carriers acting as an agent for the seller
- Maintaining a store, office, warehouse, showroom, or other place of business in Tennessee
- Leasing or renting tangible personal property in Tennessee
- Repairing, installing, or assembling tangible personal property in Tennessee or the use of an agent or independent contractor to perform those services in Tennessee
- Providing telecommunication services to subscribers located in Tennessee
- Providing any taxable service in Tennessee

These activities are listed as a general guideline and do not attempt to address every activity performed by a company that could require collection and remittance of sales or use tax. There are also exceptions that may apply.

### **Vendor Letters**

Tennessee law also requires vendors to prove whether they are subject to sales and use tax registration requirements when applying as vendors on state contracts. A Certificate of Registration is issued to businesses that are registered to collect sales and use tax. A copy of this certificate or a letter from the Department of Revenue stating the vendor is exempt must be provided to satisfy this requirement for bidding on state contracts.

Vendors needing confirmation of sales tax registration or a letter confirming no registration is required should go to <http://www.tn.gov/revenue/contactus.shtml> and click on the "Revenue Help" link at the top of the page. The vendor should then click on the "Submit a request" link and choose "Tennessee Tax Law" and provide the following information in the description field:

1. As an out-of-state vendor, what are you selling or providing to a Tennessee entity?
2. Do you have any employees in Tennessee?
3. Do you have a business location in Tennessee?
4. Do you have sales reps that enter Tennessee?
5. How is your product delivered to a Tennessee customer? (common carrier or company vehicles, electronically, or by tangible method)

6. If installation is required, who installs the product?

Once these questions are answered, the Tennessee Department of Revenue will determine if your business needs to register for a Sales and Use Tax account or if you are exempt from such registration. Businesses needing to register should visit the Tennessee Department of Revenue's website at: <https://apps.tn.gov/bizreg/>.

If your company has a Sales & Use Tax account number and you need a copy of your certificate in order to meet this requirement, please call one of the help numbers below from 7:00am – 5:00pm Central time, Monday through Friday, for assistance.

Nashville-area and out-of-state: (615) 253-0600

Statewide toll-free: (800) 342-1003

The following [website](#) further explains the process and how to receive the proof of sales tax exemption letter.