

STATE NAME: Tennessee

Streamlined Sales Tax Governing Board
Section 328 Taxability Matrix

Effective Date: August 1, 2014

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The Taxability Matrix contains four sections that must be completed: Section A – Administrative Definitions, Section B – Sales Tax Holidays, Section C – Product Definitions and Section D – Best Practices.

Instructions for Sections A, B and C of the Taxability Matrix

Each of the items listed in Sections A, B and C below are defined in the Library of Definitions in the Streamlined Sales and Use Tax Agreement (SSUTA) as amended through May 15, 2014. Refer to Appendix C of the SSUTA for each definition.

Place an “X” in the appropriate column under the heading “Treatment of definition” to indicate the treatment of each definition in your state. If a product definition was not adopted by your state, enter “NA” in the column under the heading “Reference” and indicate in the “Treatment of definition” columns the treatment of the product in your state. In accordance with the SSUTA, your state must adopt the definitions in the Library of Definitions that apply to your state without qualifications, except for those allowed by the SSUTA. For this reason, do not enter any comments or qualifications in the two columns under the heading “Treatment of definition.” If your state has adopted a definition in the Library of Definitions with a qualification not specified in the SSUTA, do not place an “X” in either column under the heading “Treatment of definition” but include a comment in the “Reference” column explaining the qualification. Enter the applicable statute/rule cite in the “Reference” column.

Instructions for Section D of the Taxability Matrix

With respect to Section D, “best practices” have been approved by the Streamlined Sales Tax Governing Board (SSTGB) for each of the products, procedures, services, or transactions identified pursuant to Section 335 of the Streamlined Sales and Use Tax Agreement (SSUTA), as amended through May 15, 2014.

Use of the term “State” in each practice refers to the state completing the matrix.

Place an “X” in the appropriate column to indicate whether your State does or does not follow each practice identified.

For each practice identified in this matrix and further described in Appendix E of the SSUTA which your State follows, place an “X” in the “Yes” column and enter the statute or rule that applies to your state’s treatment of this “best practice” in the References and Comments column.

For each practice identified in this matrix and further described in Appendix E of the SSUTA that your State does **not** follow, place an “X” in the “No” column and, if necessary, describe in the References and Comments column your state’s practice in this area.

Conformance to a “best practice” by a state is voluntary and no state shall be found not in compliance with the Agreement if it does not follow a best practice adopted by the Governing Board.

SSTGB Form F0014 (Revised May 15, 2014)

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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 Sections A, B and C and the best practices indicated in Section D.

A. Administrative Definitions		Treatment of definition		Reference
Reference Number for SST Use Only	Sales price: Identify how the options listed below are treated in your state. The following options may be excluded from the definition of sales price only if they are separately stated on the bill to the purchaser.	Included in Sales Price	Excluded from Sales Price	Statute/Rule Cite/Comment
10010	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Telecommunication nonrecurring charges 	X		NA
10040	<ul style="list-style-type: none"> Installation charges 	X		T.C.A. 67-6-102(79)(A)(v)
10060	<ul style="list-style-type: none"> Value of trade-in 		X	T.C.A. 67-6-102(79)(B)(iv)
	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 bill to the purchaser. For responses below assume the charges are separately stated on the bill to the purchaser.	Included in Sales Price	Excluded from Sales Price	Statute/Rule Cite/Comment
11000	<ul style="list-style-type: none"> Handling, crating, packing, preparation for mailing or delivery, and similar charges 	X		T.C.A. 67-6-102(79)(A)(iv) T.C.A. 67-6-102(25)
11010	<ul style="list-style-type: none"> Transportation, shipping, postage, and similar charges 	X		T.C.A. 67-6-102(79)(A)(iv) T.C.A. 67-6-102(25)
	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 bill to the purchaser. For responses below assume the charges are separately stated on the bill to the purchaser.	Included in Sales Price	Excluded from Sales Price	Statute/Rule Cite/Comment
11020	<ul style="list-style-type: none"> Handling, crating, packing, preparation for mailing or delivery, and similar charges 		X	T.C.A. 67-6-102(25) T.C.A. 67-6-102(30)
11021	<ul style="list-style-type: none"> Transportation, shipping, and similar charges 		X	T.C.A. 67-6-102(25) T.C.A. 67-6-102(30)
11022	<ul style="list-style-type: none"> Postage 		X	T.C.A. 67-6-102(25) T.C.A. 67-6-102(30)

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	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.		Included in Sales Price	Excluded from Sales Price	
11110	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. • • •		X		NA, T.C.A. 67-6-102(79)(A)(ii)
	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 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.		Included in Sales Price	Excluded from Sales Price	
11120	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. The tax must be separately stated on the invoice, bill of sale or similar document given to the purchaser. • • •		X		NA, T.C.A. 67-6-102(79)(A)(ii)
B. Sales Tax Holidays			Yes	No	Statute/Rule Cite/Comment
	Sales Tax Holidays: Does your state have a sales tax holiday?		X		T.C.A. 67-6-393
	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	NA	X		NA
	• Specific energy star qualified products or energy star qualified classifications	NA	X		NA
	➤	NA	X		NA

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	➤	NA	X		NA
	➤	NA	X		NA
20150	• All Disaster Preparedness Supply	NA	X		NA
20160	• Specific disaster preparedness general supply	NA	X		NA
20170	• Specific disaster preparedness safety supply	NA	X		NA
20180	• Specific disaster preparedness food-related supply	NA	X		NA
20190	• Specific disaster preparedness fastening supply	NA	X		NA
20070	• School supply	\$100.		X	T.C.A. 67-6-393(a)(2) T.C.A. 67-6-102(83)
20080	• School art supply	\$100.		X	T.C.A. 67-6-393(a)(3) T.C.A. 67-6-102(80)
20090	• School instructional material	NA	X		T.C.A. 67-6-393(b)(5) T.C.A. 67-6-102(82)
20100	• School computer supply	NA	X		T.C.A. 67-6-393(b)(6) T.C.A. 67-6-102(81)
	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
20130	• Clothing	\$100.		X	T.C.A. 67-6-393(a)(1) T.C.A. 67-6-102(12)
20110	• Computers	\$1500.		X	T.C.A. 67-6-393(a)(4) T.C.A. 67-6-102(17)
20120	• Prewritten computer software	NA	X		NA, T.C.A. 67-6-393(b)(1) T.C.A. 67-6-102(68)
	•				NA
	•				NA
	•				NA
C. Product Definitions					Reference
	Clothing and related products		Taxable	Exempt	Statute/Rule Cite/Comment
20010	• Clothing		X		T.C.A. 67-6-102(12) T.C.A. 67-6-202(a) & 67-6-702(a)

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20015	➤ Essential clothing priced below a state specific threshold	X		NA
20050	➤ Fur clothing	X		NA
20020	• Clothing accessories or equipment	X		T.C.A. 67-6-102(13) T.C.A. 67-6-202(a) & 67-6-702(a)
20030	• Protective equipment	X		T.C.A. 67-6-102(71) T.C.A. 67-6-202(a) & 67-6-702(a)
20040	• Sport or recreational equipment	X		T.C.A. 67-6-102(87) T.C.A. 67-6-202(a) & 67-6-702(a)
	Computer related products	Taxable	Exempt	Statute/Rule Cite/Comment
30100	• Computer	X		T.C.A. 67-6-102(17) T.C.A. 67-6-202(a) & 67-6-702(a)
30040	• Prewritten computer software	X		T.C.A. 67-6-231(a) & 67-6-702(a) T.C.A. 67-6-102(68)
30050	• Prewritten computer software delivered electronically	X		T.C.A. 67-6-231(a) & 67-6-702(a) T.C.A. 67-6-102(68) & (24)
30060	• Prewritten computer software delivered via load and leave	X		T.C.A. 67-6-231(a) & 67-6-702(a) T.C.A. 67-6-102(68)
30015	• Non-prewritten (custom) computer software	X		T.C.A. 67-6-231(a) & 67-6-702(a) T.C.A. 67-6-102(18)
30025	• Non-prewritten (custom) computer software delivered electronically	X		T.C.A. 67-6-231(a) & 67-6-702(a) T.C.A. 67-6-102(18) & (24)
30035	• Non-prewritten (custom) computer software delivered via load and leave	X		T.C.A. 67-6-231(a) & 67-6-702(a) T.C.A. 67-6-102(18)
	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. 67-6-231(b) & 67-6-702(a) T.C.A. 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. 67-6-231(b) & 67-6-702(a) T.C.A. 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. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(19) & (68)
30230	• Mandatory computer software maintenance contracts with respect to non-prewritten (custom) computer software	X		T.C.A. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(18) & (19)

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30240	<ul style="list-style-type: none"> Mandatory computer software maintenance contracts with respect to non-prewritten (custom) software which is delivered electronically 	X		T.C.A. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(18) (19) & (24)
30250	<ul style="list-style-type: none"> Mandatory computer software maintenance contracts with respect to non-prewritten (custom) software which is delivered via load and leave 	X		T.C.A. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-201(18) & (19)
Optional computer software maintenance contracts		Taxable	Exempt	Statute/Rule Cite/Comment
30300	<ul style="list-style-type: none"> 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. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(19) & (68)
30310	<ul style="list-style-type: none"> 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. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(19) (24) & (68)
30320	<ul style="list-style-type: none"> 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. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(19) & (68)
30330	<ul style="list-style-type: none"> 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. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(18) & (19)
30340	<ul style="list-style-type: none"> 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. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(18) (19) & (24)
30350	<ul style="list-style-type: none"> 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. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(18) & (19)
30360	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(18) & (19)

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30380	<ul style="list-style-type: none"> 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. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(18) (19) & (24)
30390	<ul style="list-style-type: none"> 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. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(18) & (19)
	<p>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 50% in the taxable column and 50% in the exempt column.</p>	Taxable Percentage	Exempt Percentage	Statute/Rule Cite/Comment
30400	<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to prewritten computer software that provide updates or upgrades and support services to the software 	100%		T.C.A. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(19) & (68)
30410	<ul style="list-style-type: none"> 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%		T.C.A. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(19) (24) & (68)
30420	<ul style="list-style-type: none"> 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%		T.C.A. 67-6-231(b) & 67-6-702(a) T.C.A. 67-6-102(19) & (68)
30430	<ul style="list-style-type: none"> Optional computer software maintenance contracts with respect to prewritten computer software that only provide support services to the software 		100%	T.C.A. 67-6-102(19) & (68)

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	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		Specified digital products T.C.A. 67-6-233 & 67-6-702(g)(4) T.C.A. 67-6-102(86) Digital advertising final artwork T.C.A. 67-6-312(b) & 67-6-702(a) T.C.A. 67-6-102(38) Digital advertising materials T.C.A. 67-6-312(c) & 67-6-702(a) T.C.A. 67-6-102(2) Video programming services T.C.A. 67-6-226 & 67-6-103(f) T.C.A. 67-6-714 T.C.A. 67-6-102(96) Direct-to-home satellite services T.C.A. 67-6-227
		Taxable	Exempt	Statute/Rule Cite/Comment
31040	<ul style="list-style-type: none"> Digital audio visual works sold to an end user with rights for permanent use 	X		T.C.A. 67-6-233(a) & (b)(1) T.C.A. 67-6-702(g)(4) T.C.A. 67-6-102(28) & (86) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - Repeals special 2.5% local tax rate and applies general local tax rate
31070	<ul style="list-style-type: none"> Digital audio works sold to an end user with rights for permanent use 	X		T.C.A. 67-6-233(a) & (b)(1) T.C.A. 67-6-702(g)(4) T.C.A. 67-6-102(27) & (86) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - Repeals special 2.5% local tax rate and applies general local tax rate
31100	<ul style="list-style-type: none"> Digital books sold to an end user with rights for permanent use 	X		T.C.A. 67-6-233(a) & (b)(1) T.C.A. 67-6-702(g)(4) T.C.A. 67-6-102(29) & (86) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - Repeals special 2.5% local tax rate and applies general local tax rate

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	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	<ul style="list-style-type: none"> Digital audio visual works sold to users other than the end user. 		X	T.C.A. 67-6-233(f) T.C.A. 67-6-102(28) & (86)
31050	<ul style="list-style-type: none"> Digital audio visual works sold with rights of use less than permanent use. 	X		T.C.A. 67-6-233(a) & (b)(1) T.C.A. 67-6-702(g)(4) T.C.A. 67-6-102(28) & (86) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - Repeals special 2.5% local tax rate and applies general local tax rate
31060	<ul style="list-style-type: none"> Digital audio visual works sold with rights of use conditioned on continued payment. 	X		T.C.A. 67-6-233(a) & (b)(2) T.C.A. 67-6-702(g)(4) T.C.A. 67-6-102(28) & (86) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - Repeals special 2.5% local tax rate and applies general local tax rate
31095	<ul style="list-style-type: none"> Digital audio works sold to users other than the end user. 		X	T.C.A. 67-6-233(f) T.C.A. 67-6-102(27) & (86)
31080	<ul style="list-style-type: none"> Digital audio works sold with rights of use less than permanent. 	X		T.C.A. 67-6-233(a) & (b)(1) T.C.A. 67-6-702(g)(4) T.C.A. 67-6-102(27) & (86) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - Repeals special 2.5% local tax rate and applies general local tax rate
31090	<ul style="list-style-type: none"> Digital audio works sold with rights of use conditioned on continued payments. 	X		T.C.A. 67-6-233(a) & (b)(2) T.C.A. 67-6-702(g)(4) T.C.A. 67-6-102(27) & (86) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - Repeals special 2.5% local tax rate and applies general local tax rate
31125	<ul style="list-style-type: none"> Digital books sold to users other than the end user. 		X	T.C.A. 67-6-233(f) T.C.A. 67-6-102(29) & (86)
31110	<ul style="list-style-type: none"> Digital books sold with rights of use less than permanent. 	X		T.C.A. 67-6-233(a) & (b)(1) T.C.A. 67-6-702(g)(4) T.C.A. 67-6-102(29) & (86) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - Repeals special 2.5% local tax rate and applies general local tax rate

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31120	<ul style="list-style-type: none"> Digital books sold with rights of use conditioned on continued payments. 	X		T.C.A. 67-6-233(a) & (b)(2) T.C.A. 67-6-702(g)(4) T.C.A. 67-6-102(29) & (86) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - 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) T.C.A. 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
	<p>Section 332H 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</p>	Statute/Rule Cite/Comment		
32000	<ul style="list-style-type: none"> Any specified digital products if equivalent tangible form is exempt. 	Exempt, T.C.A. 67-6-329(d)(1)		
	<ul style="list-style-type: none"> Textbooks, Workbooks 	Exempt, T.C.A. 67-6-329(a)(3) and T.C.A. 67-6-102(91) & (97)		
	<ul style="list-style-type: none"> Periodicals printed entirely on newsprint or bond paper and regularly distributed at least twice monthly 	Exempt, T.C.A. 67-6-329(a)(10)		
	<ul style="list-style-type: none"> Specified digital products provided without charge with rights of less than permanent use 	Exempt, T.C.A. 67-6-329(d)(2)		
	<ul style="list-style-type: none"> Digital advertising preliminary artwork 	T.C.A. 67-6-102(63) Taxable except for an exemption for a qualified advertising agency T.C.A. 67-6-312(a)		
	<ul style="list-style-type: none"> Subscriptions to satellite radio services 	Exempt, T.C.A. 67-6-233(d)		
	Food and food products	Taxable	Exempt	Statute/Rule Cite/Comment
40030	<ul style="list-style-type: none"> Food and food ingredients excluding alcoholic beverages and tobacco 	X		T.C.A. 67-6-228(a) & 67-6-702(a) T.C.A. 67-6-102(41)
40010	<ul style="list-style-type: none"> o Candy 	X		T.C.A. 67-6-228(b) T.C.A. 67-6-202(a) & 67-6-702(a) T.C.A. 67-6-102(9)
40020	<ul style="list-style-type: none"> o Dietary Supplements 	X		T.C.A. 67-6-228(b) T.C.A. 67-6-202(a) & 67-6-702(a) T.C.A. 67-6-102(26)

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40050	○ Soft Drinks	X		NA, T.C.A. 67-6-228(a) T.C.A. 67-6-702(a)
40060	○ Bottled water	X		NA, T.C.A. 67-6-228(a) T.C.A. 67-6-702(a)
40040	➤ Food sold through vending machines	X		NA, T.C.A. 67-6-228(a-b) T.C.A. 67-6-202(a) & 67-6-702(h)
41000	➤ Prepared Food	X		T.C.A. 67-6-228(b) T.C.A. 67-6-202(a) & 67-6-702(a) T.C.A. 67-6-102(66)
	Prepared food options - The following food 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.)	Included in Prepared Food	Excluded from Prepared Food	Statute/Rule Cite/Comment
41010	➤ 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) T.C.A. 67-6-202(a) & 67-6-702(a) T.C.A. 67-6-102(66)
41020	➤ 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) T.C.A. 67-6-202(a) & 67-6-702(a) T.C.A. 67-6-102(66)
41025	➤ Meat or seafood products 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) T.C.A. 67-6-202(a) & 67-6-702(a) T.C.A. 67-6-102(66)
41030	➤ Bakery items 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) T.C.A. 67-6-202(a) & 67-6-702(a) T.C.A. 67-6-102(66)
41040	➤ 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) T.C.A. 67-6-202(a) & 67-6-702(a) T.C.A. 67-6-102(66)

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	Health-care products	Taxable	Exempt	Statute/Rule Cite/Comment
	Drugs (indicate how the options are treated in your state)			
	Drugs for human use			
51010	<ul style="list-style-type: none"> Drugs for human use without a prescription 	X		T.C.A. 67-6-102(33) T.C.A. 67-6-202(a) & 67-6-702(a)
51020	<ul style="list-style-type: none"> Drugs for human use with a prescription 		X	T.C.A. 67-6-102(33) & (67) T.C.A. 67-6-320(a)
51050	<ul style="list-style-type: none"> Insulin for human use without a prescription 		X	T.C.A. 67-6-320(b)(1)
51060	<ul style="list-style-type: none"> Insulin for human use with a prescription 		X	T.C.A. 67-6-320(b)(1)
51090	<ul style="list-style-type: none"> Medical oxygen for human use without a prescription 	X		T.C.A. 67-6-320(b)(2) T.C.A. 67-6-202(a) & 67-6-702(a)
51100	<ul style="list-style-type: none"> Medical oxygen for human use with a prescription 		X	T.C.A. 67-6-320(b)(2)
51130	<ul style="list-style-type: none"> Over-the-counter drugs for human use without a prescription 	X		T.C.A. 67-6-102(59) T.C.A. 67-6-202(a) & 67-6-702(a)
51140	<ul style="list-style-type: none"> Over-the-counter drugs for human use with a prescription 		X	T.C.A. 67-6-102(59) & (67) T.C.A. 67-6-320(a)
51170	<ul style="list-style-type: none"> Grooming and hygiene products for human use that don't meet the definition of "drug" 	X		T.C.A. 67-6-102(42) & (59) T.C.A. 67-6-320(a) T.C.A. 67-6-202(a) & 67-6-702(a)
51171	<ul style="list-style-type: none"> 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) T.C.A. 67-6-320(a) T.C.A. 67-6-202(a) & 67-6-702(a)
51172	<ul style="list-style-type: none"> 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) T.C.A. 67-6-320(a) T.C.A. 67-6-202(a) & 67-6-702(a)
51190	<ul style="list-style-type: none"> Drugs for human use to hospitals 		X	T.C.A. 67-6-320(a) & (b) Rule 1320-5-1-.26
51195	<ul style="list-style-type: none"> Drugs for human use to other medical facilities 		X	T.C.A. 67-6-320(a) & (b) Rule 1320-5-1-.26
51200	<ul style="list-style-type: none"> Prescription drugs for human use to hospitals 		X	T.C.A. 67-6-320(a) & (b) Rule 1320-5-1-.26
51205	<ul style="list-style-type: none"> Prescription drugs for human use to other medical facilities 		X	T.C.A. 67-6-320(a) & (b) Rule 1320-5-1-.26
51240	<ul style="list-style-type: none"> Free samples of drugs for human use 	X		T.C.A. 67-6-202(a) & 67-6-702(a)
51250	<ul style="list-style-type: none"> Free samples of prescription drugs for human use 		X	T.C.A. 67-6-319(b)

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Drugs for animal use				
51030	• Drugs for animal use without a prescription	X		T.C.A. 67-6-102(33) T.C.A. 67-6-202(a) & 67-6-702 (a)
51040	• Drugs for animal use with a prescription	X		T.C.A. 67-6-102(33) & (67), 67-6-320(a) T.C.A. 67-6-202(a) & 67-6-702(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) T.C.A. 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) T.C.A. 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) T.C.A. 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), 67-6-320(a) T.C.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) T.C.A. 67-6-320(a) T.C.A. 67-6-202(a) & 67-6-702(a)
51210	• Drugs for animal use to veterinary hospitals and other animal medical facilities	X		T.C.A. 67-6-202(a) & 67-6-702(a) T.C.A. 67-6-351
51220	• Prescription drugs for animal use to hospitals and other animal medical facilities	X		T.C.A. 67-6-202(a) & 67-6-702(a) T.C.A. 67-6-351
51260	• Free samples of drugs for animal use	X		T.C.A. 67-6-202(a) & 67-6-702(a)
51270	• Free samples of prescription drugs for animal use		X	T.C.A. 67-6-319(a)
	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) T.C.A. 67-6-202(a) & 67-6-702(a)
52020	• Durable medical equipment, not for home use, with a prescription	X		T.C.A. 67-6-102(34) T.C.A. 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) T.C.A. 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) T.C.A. 67-6-202(a) & 67-6-702(a)

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52050	<ul style="list-style-type: none"> Durable medical equipment, not for home use, with a prescription paid for by Medicaid 		X	NA, 67-6-102(34) T.C.A. 67-6-308
52060	<ul style="list-style-type: none"> Durable medical equipment, not for home use, with a prescription reimbursed by Medicaid 	X		NA, T.C.A. 67-6-102(34) T.C.A. 67-6-202(a) & 67-6-702(a)
52070	<ul style="list-style-type: none"> Durable medical equipment for home use without a prescription 	X		T.C.A. 67-6-102(34) T.C.A. 67-6-202(a) & 67-6-702(a)
52080	<ul style="list-style-type: none"> Durable medical equipment for home use with a prescription 		X	T.C.A. 67-6-102(34) & (67) T.C.A. 67-6-314(2)
52090	<ul style="list-style-type: none"> Durable medical equipment for home use with a prescription paid for by Medicare 		X	NA, T.C.A. 67-6-102(34) & (67) T.C.A. 67-6-314(2)
52100	<ul style="list-style-type: none"> Durable medical equipment for home use with a prescription reimbursed by Medicare 		X	NA, T.C.A. 67-6-102(34) & (67) T.C.A. 67-6-314(2)
52110	<ul style="list-style-type: none"> Durable medical equipment for home use with a prescription paid for by Medicaid 		X	NA, T.C.A. 67-6-102(34) & (67) T.C.A. 67-6-314(2) & 67-6-308
52120	<ul style="list-style-type: none"> Durable medical equipment for home use with a prescription reimbursed by Medicaid 		X	NA, T.C.A. 67-6-102(34) & (67) T.C.A. 67-6-314(2)
52130	<ul style="list-style-type: none"> Oxygen delivery equipment, not for home use, without a prescription 		X	T.C.A. 67-6-314(3)
52140	<ul style="list-style-type: none"> Oxygen delivery equipment, not for home use, with a prescription 		X	T.C.A. 67-6-314(3)
52150	<ul style="list-style-type: none"> Oxygen delivery equipment, not for home use, with a prescription paid for by Medicare 		X	T.C.A. 67-6-314(3)
52160	<ul style="list-style-type: none"> Oxygen delivery equipment, not for home use, with a prescription reimbursed by Medicare 		X	T.C.A. 67-6-314(3)
52170	<ul style="list-style-type: none"> Oxygen delivery equipment, not for home use, with a prescription paid for by Medicaid 		X	T.C.A. 67-6-314(3)
52180	<ul style="list-style-type: none"> Oxygen delivery equipment, not for home use, with a prescription reimbursed by Medicaid 		X	T.C.A. 67-6-314(3)
52190	<ul style="list-style-type: none"> Oxygen delivery equipment for home use without a prescription 		X	T.C.A. 67-6-314(3)
52200	<ul style="list-style-type: none"> Oxygen delivery equipment for home use with a prescription 		X	T.C.A. 67-6-314(3)
52210	<ul style="list-style-type: none"> Oxygen delivery equipment for home use with a prescription paid for by Medicare 		X	T.C.A. 67-6-314(3)
52220	<ul style="list-style-type: none"> Oxygen delivery equipment for home use with a prescription reimbursed by Medicare 		X	T.C.A. 67-6-314(3)
52230	<ul style="list-style-type: none"> Oxygen delivery equipment for home use with a prescription paid for by Medicaid 		X	T.C.A. 67-6-314(3)

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52240	<ul style="list-style-type: none"> Oxygen delivery equipment for home use with a prescription reimbursed by Medicaid 		X	T.C.A. 67-6-314(3)
52250	<ul style="list-style-type: none"> Kidney dialysis equipment, not for home use, without a prescription 		X	T.C.A. 67-6-314(4)
52260	<ul style="list-style-type: none"> Kidney dialysis equipment, not for home use, with a prescription 		X	T.C.A. 67-6-314(4)
52270	<ul style="list-style-type: none"> Kidney dialysis equipment, not for home use, with a prescription paid for by Medicare 		X	T.C.A. 67-6-314(4)
52280	<ul style="list-style-type: none"> Kidney dialysis equipment, not for home use, with a prescription reimbursed by Medicare 		X	T.C.A. 67-6-314(4)
52290	<ul style="list-style-type: none"> Kidney dialysis equipment, not for home use, with a prescription paid for by Medicaid 		X	T.C.A. 67-6-314(4)
52300	<ul style="list-style-type: none"> Kidney dialysis equipment, not for home use, with a prescription reimbursed by Medicaid 		X	T.C.A. 67-6-314(4)
52310	<ul style="list-style-type: none"> Kidney dialysis equipment for home use without a prescription 		X	T.C.A. 67-6-314(4)
52320	<ul style="list-style-type: none"> Kidney dialysis equipment for home use with a prescription 		X	T.C.A. 67-6-314(4)
52330	<ul style="list-style-type: none"> Kidney dialysis equipment for home use with a prescription paid for by Medicare 		X	T.C.A. 67-6-314(4)
52340	<ul style="list-style-type: none"> Kidney dialysis equipment for home use with a prescription reimbursed by Medicare 		X	T.C.A. 67-6-314(4)
52350	<ul style="list-style-type: none"> Kidney dialysis equipment for home use with a prescription paid for by Medicaid 		X	T.C.A. 67-6-314(4)
52360	<ul style="list-style-type: none"> Kidney dialysis equipment for home use with a prescription reimbursed by Medicaid 		X	T.C.A. 67-6-314(4)
52370	<ul style="list-style-type: none"> Enteral feeding systems, not for home use, without a prescription 		X	T.C.A. 67-6-314(5)
52380	<ul style="list-style-type: none"> Enteral feeding systems, not for home use, with a prescription 		X	T.C.A. 67-6-314(5)
52390	<ul style="list-style-type: none"> Enteral feeding systems, not for home use, with a prescription paid for by Medicare 		X	T.C.A. 67-6-314(5)
52400	<ul style="list-style-type: none"> Enteral feeding systems, not for home use, with a prescription reimbursed by Medicare 		X	T.C.A. 67-6-314(5)
52410	<ul style="list-style-type: none"> Enteral feeding systems, not for home use, with a prescription paid for by Medicaid 		X	T.C.A. 67-6-314(5)
52420	<ul style="list-style-type: none"> Enteral feeding systems, not for home use, with a prescription reimbursed by Medicaid 		X	T.C.A. 67-6-314(5)

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52430	<ul style="list-style-type: none"> Enteral feeding systems for home use without a prescription 		X	T.C.A. 67-6-314(5)
52440	<ul style="list-style-type: none"> Enteral feeding systems for home use with a prescription 		X	T.C.A. 67-6-314(5)
52450	<ul style="list-style-type: none"> Enteral feeding systems for home use with a prescription paid for by Medicare 		X	T.C.A. 67-6-314(5)
52460	<ul style="list-style-type: none"> Enteral feeding systems for home use with a prescription reimbursed by Medicare 		X	T.C.A. 67-6-314(5)
52470	<ul style="list-style-type: none"> Enteral feeding systems for home use with a prescription paid for by Medicaid 		X	T.C.A. 67-6-314(5)
52480	<ul style="list-style-type: none"> Enteral feeding systems for home use with a prescription reimbursed by Medicaid 		X	T.C.A. 67-6-314(5)
52490	<ul style="list-style-type: none"> Repair and replacement parts for durable medical equipment which are for single patient use 	X		T.C.A. 67-6-102(34)(B) T.C.A. 67-6-202(a) & 67-6-702(a)
	Mobility enhancing equipment (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite/Comment
53010	<ul style="list-style-type: none"> Mobility enhancing equipment without a prescription 	X		T.C.A. 67-6-102(53) T.C.A. 67-6-202(a) & 67-6-702(a)
53020	<ul style="list-style-type: none"> Mobility enhancing equipment with a prescription 		X	T.C.A. 67-6-102(53) & (67) T.C.A. 67-6-314(6)
53030	<ul style="list-style-type: none"> Mobility enhancing equipment with a prescription paid for by Medicare 		X	NA, T.C.A. 67-6-102(53) & (67) T.C.A. 67-6-314(6)
53040	<ul style="list-style-type: none"> Mobility enhancing equipment with a prescription reimbursed by Medicare 		X	NA, T.C.A. 67-6-102(53) & (67) T.C.A. 67-6-314(6)
53050	<ul style="list-style-type: none"> Mobility enhancing equipment with a prescription paid for by Medicaid 		X	NA, T.C.A. 67-6-102(53) & (67) T.C.A. 67-6-314(6) & 67-6-308
53060	<ul style="list-style-type: none"> Mobility enhancing equipment with a prescription reimbursed by Medicaid 		X	NA, T.C.A. 67-6-102(53) & (67) T.C.A. 67-6-314(6)
	Prosthetic devices (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite/Comment
54010	<ul style="list-style-type: none"> Prosthetic devices without a prescription 		X	T.C.A. 67-6-102(70) & 67-6-314(1)
54020	<ul style="list-style-type: none"> Prosthetic devices with a prescription 		X	T.C.A. 67-6-102(70) & 67-6-314(1)
54030	<ul style="list-style-type: none"> Prosthetic devices with a prescription paid for by Medicare 		X	T.C.A. 67-6-102(70) & 67-6-314(1)
54040	<ul style="list-style-type: none"> Prosthetic devices with a prescription reimbursed by Medicare 		X	T.C.A. 67-6-102(70) & 67-6-314(1)

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54050	<ul style="list-style-type: none"> Prosthetic devices with a prescription paid for by Medicaid 		X	T.C.A. 67-6-102(70) & 67-6-314(1)
54060	<ul style="list-style-type: none"> Prosthetic devices with a prescription reimbursed by Medicaid 		X	T.C.A. 67-6-102(70) & 67-6-314(1)
54070	<ul style="list-style-type: none"> Corrective eyeglasses without a prescription 	X		T.C.A. 67-6-102(70)(B) & 67-6-316 T.C.A. 67-6-202(a) & 67-6-702(a) Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54080	<ul style="list-style-type: none"> Corrective eyeglasses with a prescription 	X		T.C.A. 67-6-102(70)(B) & 67-6-316 T.C.A. 67-6-202(a) & 67-6-702(a) Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54090	<ul style="list-style-type: none"> Corrective eyeglasses with a prescription paid for by Medicare 	X		T.C.A. 67-6-102(70)(B) & 67-6-316 T.C.A. 67-6-202(a) & 67-6-702(a) Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54100	<ul style="list-style-type: none"> Corrective eyeglasses with a prescription reimbursed by Medicare 	X		T.C.A. 67-6-102(70)(B) & 67-6-316 T.C.A. 67-6-202(a) & 67-6-702(a) Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54110	<ul style="list-style-type: none"> Corrective eyeglasses with a prescription paid for by Medicaid 	X		T.C.A. 67-6-102(70)(B) & 67-6-316 T.C.A. 67-6-202(a) & 67-6-702(a) Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54120	<ul style="list-style-type: none"> Corrective eyeglasses with a prescription reimbursed by Medicaid 	X		T.C.A. 67-6-102(70)(B) & 67-6-316 T.C.A. 67-6-202(a) & 67-6-702(a) Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54130	<ul style="list-style-type: none"> Contact lenses without a prescription 	X		T.C.A. 67-6-102(70)(B) & 67-6-316 T.C.A. 67-6-202(a) & 67-6-702(a) Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54140	<ul style="list-style-type: none"> Contact lenses with a prescription 	X		T.C.A. 67-6-102(70)(B) & 67-6-316 T.C.A. 67-6-202(a) & 67-6-702(a) Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54150	<ul style="list-style-type: none"> Contact lenses with a prescription paid for by Medicare 	X		T.C.A. 67-6-102(70)(B) & 67-6-316 T.C.A. 67-6-202(a) & 67-6-702(a) Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt

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54160	<ul style="list-style-type: none"> Contact lenses with a prescription reimbursed by Medicare 	X		T.C.A. 67-6-102(70)(B) & 67-6-316 T.C.A. 67-6-202(a) & 67-6-702(a) Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54170	<ul style="list-style-type: none"> Contact lenses with a prescription paid for by Medicaid 	X		T.C.A. 67-6-102(70)(B) & 67-6-316 T.C.A. 67-6-202(a) & 67-6-702(a) Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54180	<ul style="list-style-type: none"> Contact lenses with a prescription reimbursed by Medicaid 	X		T.C.A. 67-6-102(70)(B) & 67-6-316 T.C.A. 67-6-202(a) & 67-6-702(a) Optometrist, opticians, ophthalmologists purchases taxable, sales to patients exempt
54190	<ul style="list-style-type: none"> Hearing aids without a prescription 		X	T.C.A 67-6-102(70) & 67-6-314(1)
54200	<ul style="list-style-type: none"> Hearing aids with a prescription 		X	T.C.A 67-6-102(70) & 67-6-314(1)
54210	<ul style="list-style-type: none"> Hearing aids with a prescription paid for by Medicare 		X	T.C.A 67-6-102(70) & 67-6-314(1)
54220	<ul style="list-style-type: none"> Hearing aids with a prescription reimbursed by Medicare 		X	T.C.A 67-6-102(70) & 67-6-314(1)
54230	<ul style="list-style-type: none"> Hearing aids with a prescription paid for by Medicaid 		X	T.C.A 67-6-102(70) & 67-6-314(1)
54240	<ul style="list-style-type: none"> Hearing aids with a prescription reimbursed by Medicaid 		X	T.C.A 67-6-102(70) & 67-6-314(1)
54250	<ul style="list-style-type: none"> Dental prosthesis without a prescription 		X	T.C.A 67-6-102(70) & 67-6-314(1)
54260	<ul style="list-style-type: none"> Dental prosthesis with a prescription 		X	T.C.A 67-6-102(70) & 67-6-314(1)
54270	<ul style="list-style-type: none"> Dental prosthesis with a prescription paid for by Medicare 		X	T.C.A 67-6-102(70) & 67-6-314(1)
54280	<ul style="list-style-type: none"> Dental prosthesis with a prescription reimbursed by Medicare 		X	T.C.A 67-6-102(70) & 67-6-314(1)
54290	<ul style="list-style-type: none"> Dental prosthesis with a prescription paid for by Medicaid 		X	T.C.A 67-6-102(70) & 67-6-314(1)
54300	<ul style="list-style-type: none"> Dental prosthesis with a prescription reimbursed by Medicaid 		X	T.C.A 67-6-102(70) & 67-6-314(1)
	Telecommunications & related products	Taxable	Exempt	Statute/Rule Cite/Comment
60010	<ul style="list-style-type: none"> Ancillary Services 	X		T.C.A. 67-6-102(7) T.C.A. 67-6-205(c)(9) & 67-6-702(g)(2) 2009 PC 530 Sec 35 – 2011 PC 72 - 2013 PC 480 Eft. date 7/1/15 - Repeals special 2.5% local tax rate and applies general local tax rate
60020	<ul style="list-style-type: none"> ➤ Conference bridging service 	X		T.C.A. 67-6-102(7)(A) T.C.A. 67-6-205(c)(9) & 67-6-702(g)(2) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - Repeals special 2.5% local tax rate and applies general local tax rate

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60030	➤ Detailed telecommunications billing service	X		T.C.A. 67-6-102(7)(B) T.C.A. 67-6-205(c)(9) & 67-6-702(g)(2) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - 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) T.C.A. 67-6-205(c)(9) & 67-6-702(g)(2) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - 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) T.C.A. 67-6-205(c)(9) & 67-6-702(g)(2) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - 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) T.C.A. 67-6-205(c)(9) & 67-6-702(g)(2) 2009 PC 530 Sec 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 - Repeals special 2.5% local tax rate and applies general local tax rate
	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) T.C.A. 67-6-205(a) (c)(3) & 67-6-702(g)(2) 2009 PC 530 Sec. 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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

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61020	<ul style="list-style-type: none"> International Telecommunications Service 	X	<p>T.C.A. 67-6-102(90) & (45) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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</p>
61030	<ul style="list-style-type: none"> International 800 service 	X	<p>T.C.A. 67-6-102(90) & (45) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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</p>
61040	<ul style="list-style-type: none"> International 900 service 	X	<p>T.C.A. 67-6-102(90) & (45) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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</p>
61050	<ul style="list-style-type: none"> International fixed wireless service 	X	<p>T.C.A. 67-6-102(90) & (45) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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</p>
61060	<ul style="list-style-type: none"> International mobile wireless service 	X	<p>T.C.A. 67-6-102(90) & (45) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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</p>
61080	<ul style="list-style-type: none"> International prepaid calling service 	X	<p>T.C.A. 67-6-102(90) (45) & (64) T.C.A. 67-6-230(a) & 67-6-702(a)</p>

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61090	<ul style="list-style-type: none"> International prepaid wireless calling service 	X		T.C.A. 67-6-102(90) (45) & (65) T.C.A. 67-6-230(a) & 67-6-702(a)
61100	<ul style="list-style-type: none"> International private communications service 	X		T.C.A. 67-6-102(90) (45) & (69) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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	<ul style="list-style-type: none"> International value-added non-voice data service 	X		T.C.A. 67-6-102(90) & (45) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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	<ul style="list-style-type: none"> International residential telecommunications service 	X		T.C.A. 67-6-102(90) & (45) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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	<ul style="list-style-type: none"> Interstate 800 service 	X		T.C.A. 67-6-102(90) & (46) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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	<ul style="list-style-type: none"> Interstate 900 service 	X		T.C.A. 67-6-102(90) & (46) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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

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61150	<ul style="list-style-type: none"> Interstate fixed wireless service 	X	<p>T.C.A. 67-6-102(90) & (46) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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</p>
61160	<ul style="list-style-type: none"> Interstate mobile wireless service 	X	<p>T.C.A. 67-6-102(90) & (46) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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</p>
61180	<ul style="list-style-type: none"> Interstate prepaid calling service 	X	<p>T.C.A. 67-6-102(90) (46) & (64) T.C.A. 67-6-230(a) & 67-6-702(a)</p>
61190	<ul style="list-style-type: none"> Interstate prepaid wireless calling service 	X	<p>T.C.A. 67-6-102(90) (46) & (65) T.C.A. 67-6-230(a) & 67-6-702(a)</p>
61200	<ul style="list-style-type: none"> Interstate private communications service 	X	<p>T.C.A. 67-6-102(90) (46) & (69) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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</p>
61210	<ul style="list-style-type: none"> Interstate value-added non-voice data service 	X	<p>T.C.A. 67-6-102(90) & (46) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-221 & T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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</p>

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61220	<ul style="list-style-type: none"> Interstate residential telecommunications service 	X	<p>T.C.A. 67-6-102(90) & (46) T.C.A. 67-6-205(a) & (c)(3) T.C.A. 67-6-702(g)(1) 2009 PC 530 Secs 35 & 42 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – 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</p>
61230	<ul style="list-style-type: none"> Intrastate 800 service 	X	<p>T.C.A 67-6-102(90) & (47) T.C.A. 67-6-205(a) (c)(3) & 67-6-702(g)(2) 2009 PC 530 Sec. 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate</p>
61240	<ul style="list-style-type: none"> Intrastate 900 service 	X	<p>T.C.A 67-6-102(90) & (47) T.C.A. 67-6-205(a) (c)(3) & 67-6-702(g)(2) 2009 PC 530 Sec. 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate</p>
61250	<ul style="list-style-type: none"> Intrastate fixed wireless service 	X	<p>T.C.A 67-6-102(90) & (47) T.C.A. 67-6-205(a) (c)(3) & 67-6-702(g)(2) 2009 PC 530 Sec. 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate</p>
61260	<ul style="list-style-type: none"> Intrastate mobile wireless service 	X	<p>T.C.A 67-6-102(90) & (47) T.C.A. 67-6-205(a) (c)(3) & 67-6-702(g)(2) 2009 PC 530 Sec. 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate</p>
61280	<ul style="list-style-type: none"> Intrastate prepaid calling service 	X	<p>T.C.A. 67-6-102(90) (47) & (64) T.C.A. 67-6-230(a) & 67-6-702(a)</p>
61290	<ul style="list-style-type: none"> Intrastate prepaid wireless calling service 	X	<p>T.C.A. 67-6-102(90) (47) & (65) T.C.A. 67-6-230(a) & 67-6-702(a)</p>
61300	<ul style="list-style-type: none"> Intrastate private communications service 	X	<p>T.C.A 67-6-102(90) (47) & (69) T.C.A. 67-6-205(a) (c)(3) & 67-6-702(g)(2) 2009 PC 530 Sec. 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate</p>

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61310	<ul style="list-style-type: none"> Intrastate value-added non-voice data service 	X		T.C.A 67-6-102(90) & (47) T.C.A. 67-6-205(a) (c)(3) & 67-6-702(g)(2) 2009 PC 530 Sec. 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61320	<ul style="list-style-type: none"> Intrastate residential telecommunications service 	X		T.C.A 67-6-102(90) & (47) T.C.A. 67-6-205(a) (c)(3) & 67-6-702(g)(2) 2009 PC 530 Sec. 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61325	<ul style="list-style-type: none"> Paging service 	X		T.C.A 67-6-102(90) T.C.A. 67-6-205(a) (c)(3) & 67-6-702(g)(2) 2009 PC 530 Sec. 35 – 2011 PC 72 – 2013 PC 480 Eft. date 7/1/15 – Repeals special 2.5% local tax rate on intrastate telecommunications and applies general local tax rate
61330	<ul style="list-style-type: none"> Coin-operated telephone service 		X	T.C.A. 67-6-102(14) T.C.A. 67-6-329(b)(1)
61340	<ul style="list-style-type: none"> Pay telephone service 			NA
61350	<ul style="list-style-type: none"> Local Service as defined by _____(state) 			NA
	<ul style="list-style-type: none"> 			
	<ul style="list-style-type: none"> 			

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D. Best Practices from Appendix E	Brief Description of Best Practice	Does Your State Follow this Best Practice?		Add Additional Comments if Desired. If You Answered No, Describe the Difference Between the Best Practice as Adopted by the Governing Board and Your State's Treatment
		Yes	No	
Best Practice 1 – Vouchers				
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)

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Best Practice from Appendix E	Brief Description of Best Practice	For each section, place an "X" in the YES column for the Practice your State follows. Place an "X" in the NO column if the practice does not apply in your State.		For sections with only NO responses, describe your State's tax treatment. Additional comments may be added for any response.	
		Yes	No	References: Statute, Rule, Cite	Comments
Best Practice 2 – Credits					
Definition	<p>"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.</p>				
Credits 2.1	<p>2.1 Credit Against Use Tax</p> <p>The State imposing tax on the purchaser provides credit for "sales or use taxes paid" on a product against the State's use tax.</p>	X		T.C.A. 67-6-507(a), 67-6-313(f) Rule 1320-5-1-.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 Tenn.

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Credits 2.2	<p>2.2 Credit Against Sales Tax</p> <p>The State imposing tax provides credit for the "sales or use taxes paid" on a product against the State's sales tax.</p>		X	T.C.A. 67-6-507(b)	Tenn. law only allows for credit for Tenn. tax paid to a vendor on personal property or taxable service that was subsequently resold in Tenn. Sellers paying sales or use tax on the purchase of property in another state that is resold in Tenn. must obtain a refund from the other state for the sales or use tax paid in the other state on property resold in Tenn.
Credits 2.3.a.	<p>2.3 Reciprocity</p> <p>2.3.a. The credit the State provides in 2.1 and 2.2 applies regardless of whether another state provides a reciprocal credit.</p>	X		T.C.A. 67-6-507(a), 67-6-313(f) Rule 1320-5-1-.91(1)	2.1 - The tax paid in the other state must be a sales or use tax to receive credit in Tenn. against the use tax due.
Credits 2.3.b.	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 Tenn. against the use tax due.
Credits 2.4.a.	<p>2.4 State and Local Sales/Use "Tax Paid"</p> <p>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.</p>	X			
Credits 2.4.b.	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		

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Credits 2.5	<p>2.5 Credit for "Similar Tax" Paid to Another Jurisdiction</p> <p>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. List all known similar or like taxes the state provides credit for even if such tax does not meet the definition of a "similar tax."</p> <p>a. b. c.</p>		X	T.C.A. 67-6-507(a), 67-6-313(f) Rule 1320-5-1-.91(1)	NA, The tax paid in the other state must be a sales or use tax to receive credit in Tenn. against the use tax due.
Credits 2.6	<p>2.6. Credit Against "Similar Tax" Imposed by the State</p> <p>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. List "similar taxes" imposed that the state provides credits against.</p> <p>a. b. c.</p>		NA		NA, The tax paid in the other state must be a sales or use tax to receive credit in Tenn. against the use tax due.
Credits 2.7	<p>2.7 Sourcing when Receipt Location is Known</p> <p>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.</p>		X		Streamlined sourcing is not scheduled to take effect in Tenn. until 7/15/2015. Credit is not available in Tenn. for taxes paid in other states where the taxpayer incurred the Tenn. tax before a taxable event occurred in another state.

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Credits 2.8	<p>2.8 Sourcing when Receipt Location is Unknown</p> <p>Except as provided in Best Practice 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.</p>	X			<p>Streamlined sourcing is not scheduled to take effect in Tenn. until 7/15/2015.</p> <p>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 Tenn.</p>
Credits 2.9	<p>2.9 Characterization of Sale</p> <p>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.</p>	X			<p>Tenn. would impose tax and give credit based on Tenn. law. Tenn. imposes use tax on tangible personal property, specified digital products, computer software, and computer software maintenance contracts used in Tenn.</p>
Credits 2.10.a.	<p>2.10 Sales Price Components</p> <p>2.10.a. Full Credit Allowed.</p> <p>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.</p>	X		T.C.A. 67-6-102(79)	<p>Tenn. 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.</p>
Credits 2.10.b.	<p>2.10.b. Partial Credit Allowed</p> <p>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.</p>		NA		NA

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Credits 2.11.a.	<p>2.11 Transactions with Taxable and Exempt Products</p> <p>2.11.a. Full Credit Allowed</p> <p>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.</p>		NA		NA
Credits 2.11.b.	<p>2.11.b. Partial Credit Allowed.</p> <p>When taxable and non-taxable products are itemized on the invoice the credit provided for in 2.1 and 2.2 is only for the "tax paid" on the taxable products of a transaction in the State.</p>	X			
Credits 2.12	<p>2.12 Audit Sampling</p> <p>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.</p>	X		T.C.A. 67-6-507(b) Rule 1320-5-1-.91(1)	2.1 - Documentation is required to substantiate the tax has been paid. A Tenn. vendor claiming the purchaser paid the Tenn. tax in an audit may also be required to provide an affidavit from the purchaser stating that the Tenn. tax has been paid in Tenn. Credit is not available in Tenn. for taxes paid in other states where the taxpayer incurred the Tenn. tax before a taxable event occurred in another state.
Credits 2.13	<p>2.13 Direct Mail</p> <p>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.</p>	X			Streamlined sourcing is not scheduled to take effect in Tenn. until 7/15/2015. 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 Tenn., prior to the recipients' receipt of the direct mail in Tenn.

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Section 328 Taxability Matrix

Effective Date: August 1, 2014

Credits 2.14	<p>2.14 Accelerated Payments on Lease/Rentals</p> <p>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.</p>	X		T.C.A. 67-6-507(a), 67-6-313(f) Rule 1320-5-1-.91(1)	
Credits 2.15	<p>2.15 Inception-Deferred Collection on Lease/Rentals</p> <p>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.</p>		X	T.C.A. 67-6-507(a), 67-6-313(f) Rule 1320-5-1-.91(1)	To receive credit the tax must be paid.
Credits 2.16	<p>2.16 Lessor Acquisition.</p> <p>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.</p>		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 Tenn. must obtain a refund from the other state for the tax paid in the other state on acquisition of property for lease in Tenn. Tenn. tax is imposed on the lease payments.