



Tennessee Department of Revenue

Headquarters Tax Credit: Recommended Documentation

Once you receive the tentative letter of approval, claims for the headquarters sales and use tax credit may be submitted to the Department for approval. The following information and records should be maintained and available (preferably in an electronic format) to verify that all the requirements of the headquarters tax credit have been met and to document tax credit claims submitted.

Capital Investment

A summary of the total investment amount and total expenditures by category within the investment period (may include costs of building, building materials, labor, equipment, furniture, computer software, parking facilities, and landscaping but not include the cost of land or inventory).

New Job Position Documentation

Records for the 90 day period immediately before the “effective date of the business plan” detailing the following for positions in Tennessee:

1. Unique position number
2. Position title
3. Employee name
4. Last four digits of employee’s SSN
5. Hourly wage rate for each employee
6. Gross annual wages for each position
7. Position designation: permanent, full-time or other
8. Location of position, including county

Records of the items listed below during the investment period and the 12 months following the end of the investment period.

1. Items 1-8 listed above
2. Date position created / filled
3. Hire date
4. Terminate date
5. Average hours worked per week (includes hours on paid leave)
6. Health insurance received or has been offered

Job schedules are available to assist you with maintaining and providing this information.

Source payroll data or wage reports should be used or available to support the schedules.

Qualified Tangible Personal Property

A schedule of qualified tangible personal property that includes the following data:

1. Item number
2. Invoice date
3. Invoice number
4. Vendor / supplier name
5. Description of item(s)
6. Invoice total w/ freight less tax
7. Invoice total less non-qualifying items
8. Amount of tax paid per invoice
9. Amount of tax accrued per invoice
10. Amount of state tax paid
11. Amount of local tax paid
12. Amount of SSA tax paid
13. Amount of state tax accrued
14. Amount of local tax accrued
15. Amount of SSA tax accrued
16. Reporting period for taxpayer accrued tax
17. Amount of state tax credit requested
18. Amount of SSA tax credit requested

A standard schedule is available to use for claiming the credit.

Copies of invoices and other documentation also must be made available.