

## Tenn. Comp. R. & Regs. R. 1320-05-01-.129

This document is current through November 30, 2018

*Rules and Regulations of the State of Tennessee > RULES OF THE TENNESSEE DEPARTMENT OF REVENUE > SALES AND USE TAX > CHAPTER 1320-05-01 STATE SALES AND USE TAX RULES*

### **1320-05-01-.129 OUT-OF-STATE DEALERS**

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**(1)** Out-of-state dealers with a physical presence in Tennessee have a substantial nexus with this state. These dealers shall register with the Department for sales and use tax purposes and shall report and pay the appropriate tax to the Department on sales of tangible personal property and other taxable items delivered to consumers in this state.

**(2)** Out-of-state dealers who engage in the regular or systematic solicitation of consumers in this state through any means and make sales that exceed \$ 500,000 to consumers in this state during the previous twelve-month period also have a substantial nexus with this state.

**(a)** By March 1, 2017, these dealers, if they have not already done so, shall register with the Department for sales and use tax purposes and thereby affirmatively acknowledge that they will collect and remit sales and use taxes to the Department beginning July 1, 2017. Beginning July 1, 2017, unless a later date is established by the Department by notice, these dealers shall report and pay the appropriate tax to the Department on sales of tangible personal property and other taxable items delivered to consumers in this state.

**(b)** Dealers who meet the \$ 500,000 threshold after March 1, 2017, shall register with the Department and begin to collect and remit Tennessee sales and use tax by the first day of the third calendar month following the month in which the dealer met the threshold. In no case, however, shall such dealers be required to collect and remit sales and use taxes to the Department for periods before July 1, 2017.

**(3)** Persons who purchase tangible personal property or other taxable items from any dealer that is registered with the Department must pay Tennessee sales and use tax to the dealer, unless the sale is otherwise exempt. Persons who import tangible personal property or other taxable items into this state and have not paid the sales and use tax to the dealer shall report and pay the use tax directly to the Department, unless the sale is otherwise exempt.

### **Statutory Authority**

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T.C.A. §§ 67-1-102, 67-6-402, and 67-6-501.

### **History**

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#### **ADMINISTRATIVE HISTORY FOR THIS REGULATION:**

New rule filed October 3, 2016; effective January 1, 2017.

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