

Notice #20-23

July 2020

New Filing Threshold for Out-of-State Dealers

Beginning October 1, 2020, Out-of-State Dealers are Liable for Sales Tax if Total Sales in this State Exceed \$100,000

Public Chapter 759 (2020) establishes a \$100,000 filing threshold for dealers without a physical presence in Tennessee. Beginning October 1, 2020, out-of-state dealers shall register with the department to collect and remit tax if the dealer engages in the regular or systematic solicitation of consumers in this state through any means and made sales that exceeded \$100,000 to consumers in this state during the previous twelve-month period.

Note: The current remote seller sales threshold of \$500,000 is established in Sales and Use Tax Rule 129(2)1. For periods beginning October 1, 2019 to October 1, 2020, out-of-state dealers with \$500,000 or more in total sales made to consumers in this state during the previous twelve-month period must register for and remit sales tax.

For purposes of applying the sales threshold, dealers should include all retail sales, including exempt retail sales, but should exclude sales for resale.

Out-of-state dealers who are not currently required to register but who will meet the \$100,000 sales threshold shall begin to collect and remit the tax by the first day of the third calendar month following the month in which this threshold was met. For example, if a dealer meets the threshold on January 15, 2021, the dealer is required to register, collect, and remit sales tax beginning on April 1, 2021, for any sales made on and after April 1, 2021.

How to Register

Dealers may register through the online Tennessee Taxpayer Access Point (TNTAP) under "Register a New Business." Dealers may also register with Tennessee by accessing the Streamlined Sales Tax Registration System.

Reporting Local Sales Tax

Chapter 491 (2019) requires out-of-state dealers to collect and report local sales tax based on the local jurisdiction where the sale is shipped or delivered. See [important notice 19-05](#) for more information.

For More Information

Visit the [Department's remote seller webpage](#) or visit www.tn.gov/revenue and click on Revenue Help to search for answers or to submit an information request to one of our agents.

References

Public Chapter 759 (2020).