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Sequence Number: 06-12-16
Notice ID(s): 2530
File Date: 6/16/16

Notice of Rulemaking Hearing

Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, T.C.A. § 4-5-204. For questions and copies of the notice, contact the person listed below.

Agency/Board/Commission:	Tennessee Department of Revenue
Division:	
Contact Person:	Linda Newbill, Administrative Assistant - Legal Office
Address:	Andrew Jackson Building, 500 Deaderick Street, 11 th Floor Nashville, TN 37242
Phone:	(615) 741-2348
Email:	Linda.Newbill@tn.gov

Any Individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing:

ADA Contact:	Abigail Sparks
Address:	Andrew Jackson Building, 500 Deaderick Street, 11 th Floor Nashville, TN 37242
Phone:	(615) 532-8956
Email:	Abigail.Sparks@tn.gov

Hearing Location(s) (for additional locations, copy and paste table)

Address 1:	William R. Snodgrass Tennessee Tower, 312 Rosa L. Parks Avenue	
Address 2:	Conference Room A, Third Floor	
City:	Nashville, TN	
Zip:	37243	
Hearing Date :	08/08/16	
Hearing Time:	1:30 PM	<input checked="" type="checkbox"/> CST/CDT <input type="checkbox"/> EST/EDT

Additional Hearing Information:

Oral or written comments are invited at the hearing. In addition, written comments may be submitted prior to the hearing to:
Lauren Fields, Associate General Counsel and Assistant Director – Legal
500 Deaderick Street, 11th Floor
Nashville, TN 37242

Revision Type (check all that apply):

- Amendment
- New
- Repeal

Rule(s) (ALL chapters and rules contained in filing must be listed. If needed, copy and paste additional tables to accommodate more than one chapter. Please enter only **ONE** Rule Number/Rule Title per row.)

Chapter Number	Chapter Title
1320-05-01	State Sales and Use Tax Rules
Rule Number	Rule Title
1320-05-01-.63	Registration Certificate
1320-05-01-.129	Out-of-State Dealers

(Place substance of rules and other info here. Statutory authority must be given for each rule change. For information on formatting rules go to <http://state.tn.us/sos/rules/1360/1360.htm>)

Chapter 1320-05-01
Sales and Use Tax Rules

Amendment

Rule 1320-05-01-.63 is amended by deleting it in its entirety and substituting instead, the following language:

1320-05-01-.63 Registration Certificate.

(1) Sales Tax.

- (a) When a dealer changes his business location within the same county, the certificate holder shall notify the Department of the new business address and surrender his Registration Certificate. A new certificate will be issued showing the correct business address.
 - (b) When a dealer changes his business location to a different county, or to a different type of business, the certificate must be submitted for cancellation, and an application for a new certificate filed.
- (2) Dealers within the State having both sales and use tax to report shall register for sales tax purposes, and report sales and use tax on forms provided for such purposes.
 - (3) Dealers having average monthly gross sales of \$400.00 or less and taxable services of \$100.00 or less may in the discretion of the Commissioner of Revenue be required to pay tax to their suppliers on purchases in lieu of registering for sales and use tax purposes since the Department's cost of administering the account would exceed the taxes reported.
 - (4) An individual property owner who sells, rents, or charges for the occupation of a room, lodging, or accommodation for a period of less than ninety (90) continuous days and a property management company that is required to collect sales and use tax on behalf of an individual property owner as required by T.C.A. §67-6-501 shall file with the Commissioner an application for a certificate of registration for each property that it owns or manages. If an individual property owner owns or a property management company manages multiple locations within one local jurisdiction, the individual property owner or the property management company shall be required to register only one location per local jurisdiction and report all sales in that local jurisdiction to the registered location.

Authority: T.C.A. §§67-1-102, 67-6-205, 67-6-402, and 67-6-501.

New

Rule 1320-05-01-.129 is added as follows:

1320-05-01-.129 Out-of-State Dealers.

- (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 any calendar year also have a substantial nexus with this state. By January 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 begin to collect and remit sales and use taxes to the Department by July 1, 2017. By 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.

- (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. 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 appropriate use tax directly to the Department.

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

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.

Date: 6/16/16

Signature: Kristin Husat

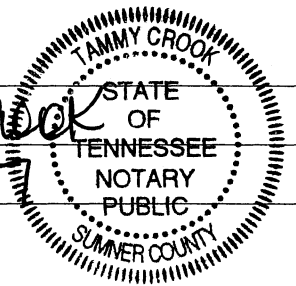
Name of Officer: Kristin Husat

Title of Officer: Assistant Commissioner and General Counsel

Subscribed and sworn to before me on: 6-16-16

Notary Public Signature: Tammy Crook

My commission expires on: 12-18-2017



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Filed with the Department of State on: _____

6/16/16
Tre Hargett

Tre Hargett
Secretary of State

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