



SALES TAXES

LESSON TOPICS

1. Fun Facts About Sales Tax

- 60% of the tax collected for the state of Tennessee comes from sales tax
- Tennessee charges a base rate of 7% sales tax across the state
- Counties can determine what their rate will be and this ranges from 2% – 2.75%

2. What is Sales Tax with Examples

Sales Tax applies to tangible personal property. Businesses that sell tangible personal items have to charge sales tax on those particular items.

Examples of items or services that would require sales tax:

- Dog grooming
- Computer Software
- Car Repair
- Extended Warranty
- Specified Digital Products
- Concert Tickets (amusement tax)

3. Business Sales Tax Responsibility

If you are a business that sales tangible personal property, it is your responsibility to collect that sales tax from your customer and remit it back to the state of Tennessee. When you collect the sales tax, you will report that on your sales tax return. The remittance back to the state of Tennessee can either be done monthly, quarterly, or annually depending on the type of business and how much sales tax you collect each period.

4. Want More Information?

If you would like more information, please visit our site at: tn.gov/revenue.

If you have questions you would like to answered, please email us at: revenue.support@tn.gov.