

## Other/Miscellaneous:

### Tennessee: Updated Tax Manual Addresses Business Tax Law Changes, Caselaw, and Nexus

*Business Tax Manual*, Tenn. Dept. of Rev. (updated 12/23); *Tax Manual Updates*, Tenn. Dept. of Rev. (12/23). The Tennessee Department of Revenue updated some of its tax manuals to incorporate recent significant state tax law changes, including those involving the increased filing threshold for taxpayers subject to Tennessee's business tax (TBT) and other TBT law changes [see H.B. 323, signed by gov. 5/11/23, and previously issued Multistate Tax Alert for more details on the Tennessee business tax law changes]. The updated TBT manual also provides a discussion of 2023 caselaw involving exempt "wholesaler-to-wholesaler" sales [see *State Tax Matters*, Issue 2023-9, for more details on this TBT case], and states that remote employee home offices generally do *not* constitute physical business locations for municipal-level business tax purposes; however, compensation paid to in-state employees must be included when determining if an out-of-state business has substantial nexus in Tennessee. Please contact us with any questions.

**URL:** [https://www.tn.gov/content/dam/tn/revenue/documents/tax\\_manuals/december-2023/Business-Tax-Manual.pdf](https://www.tn.gov/content/dam/tn/revenue/documents/tax_manuals/december-2023/Business-Tax-Manual.pdf)

**URL:** [https://www.tn.gov/content/dam/tn/revenue/documents/tax\\_manuals/december-2023/Tax-Manual-Updates.pdf](https://www.tn.gov/content/dam/tn/revenue/documents/tax_manuals/december-2023/Tax-Manual-Updates.pdf)

**URL:** <https://wapp.capitol.tn.gov/apps/BillInfo/Default.aspx?BillNumber=HB0323&GA=113>

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-multistate-tax-alert-tennessee-enacts-several-changes-to-business-tax-and-franchise-and-excise-tax-laws.pdf>

**URL:** [https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230303\\_11.html](https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230303_11.html)

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