

Sales/Use/Indirect:

Tennessee: Updated Marketplace Facilitator Notice Reflects New Sourcing Rule as of July 1

Important Notice No. 20-15, Tenn. Dept. of Rev. (updated 7/24). An updated Tennessee Department of Revenue notice addressing how some marketplace facilitators are responsible for Tennessee sales tax registration and collection on marketplace sales explains that pursuant to legislation enacted in 2023 [see H.B. 323 (2023), and previously issued Multistate Tax Alert for details on sales and use tax law changes in the bill relating to sourcing sales], beginning as of July 1, 2024, all sales (including sales of taxable services) made through the facilitator's marketplace are sourced where the product is received by the purchaser. Prior to July 1, 2024, the notice states that a marketplace facilitator must collect Tennessee sales tax on sales of tangible personal property based on the "shipped to" or "delivered to" address of the customer, and sales tax on taxable services "should be reported consistent with other service sourcing provisions." Please contact us with any questions.

URL: <https://www.tn.gov/content/dam/tn/revenue/documents/notices/sales/sales20-15.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-tax-multistate-tax-alert-tennessee-enacts-changes-to-sales-and-use-tax-laws.pdf>

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