CERTIFICATE OF COMPLIANCE -- STATE OF TENNESSEE

August 17, 2007

SECTION	TOPIC	DESCRIPTION	Is this requirement met by law, regulation or administrative practice (Yes or No). Enter N/A when not applicable.	If so, provide the citation for legal authority (statute, case, regulation, etc.)	For SST conforming changes, provide effective dates.	Notes (e.g., administrative practices, noncompliance explanations, etc.)
Section 301	**State level administration**					
		Does the state provide state level administration of state and local sales and use taxes?	Yes	T.C.A. 67-6-401; 67-6-710(a)(1)		
		Are sellers only required to register with, file returns and remit funds to a state-level authority?	Yes	T.C.A. 67-6-504, 67-6-601 and 67-6-602	P.C. 357, Sec. 63. Eft. 7-1-07. (See: P.C.959, Sec. 68.)(ALL REPEALED) 2007 P.C. 602 Sec. 117 T.C.A. 67-6-608 (a). Eft. 1-1-08.	
		Are local taxes collected and distributed by a single state-level authority?	Yes	T.C.A. 67-6-401, 67-6-710 and 67-6-712.	P.C. 357, Sec. 18 and 68. Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (ALL REPEALED) 2007 P.C. 602 Sec. 136, 167 & 168 T.C.A. 67-6-103(g) &67-6-710. Eft. 7-1-09.	
		Does the state conduct or authorize others to conduct an audit that includes both state and local taxes and prohibit independent local audits of sellers registered under the Agreement?	Yes	T.C.A. 67-6-523 and 67-6-710.		
Section 302	**State and local tax base**					
		Do all local jurisdictions have a common tax base? There are exceptions for motor vehicles, aircraft, watercraft, modular homes, manufactured homes and mobile homes.	Yes	T.C.A. 67-6-702(a)(1).		All local jurisdictions had a common tax base prior to the Streamlined legislation in Tennessee

		Are the state and local tax bases identical? Note: The Agreement requires identical state and local tax bases by January 1, 2006.	Yes, effective 7-1-09.		P.C. 357, Sec. 19, 26, 27, 28, 30, 33, 34, 43, 48, 65, 66, 69. P.C. 959, Sec. 54, 56, T.C.A. 67-4-701 et seq.. Eff. 7-1-07. (See: P.C. 959, Sec. 68, 70.)(ALL REPEALED) 2007 P.C. 602 Sec. 79 & 81. Eft. 1-1-08. 2007 P.C. 602 Sec. 129, 131, 132, 135, 137, 138, 142, 143, 144, 146, 147, 150, 151, 155, 164, 165, 170. Eft. 7-1-09.	Cable TV repeal 67-6-226, 67-6-103(f), 67-6-714 & video program. exempt s/u tax 67-6-329 & priv tax imposed 67-4-2401(Sec.137,138,147,151,135, 170, 130); interstate bus. telecom repeal local exemption 67-6-702(g)(1)(Sec.146,164); energy fuels for nurseries exempt s/u tax 67-6-207 & repeal 67-6-218 (Sec. 79, 81 eft 1-1-08); energy fuels for mfrs exempt s/u tax 67-6-206 & repeal 67-6-704 & imposed priv tax 67-4-2303 (Sec. 142, 165, 129); materials owned by nonprofit colleges exempt s/u tax 67-6-209(b) (Sec. 143); aviation fuel exempt s/u tax 67-6-386 & repeal 67-6-217 & imposed priv tax 67-4-2701 (Sec. 155,144,132); energy fuels sold to business repeal local exemption 67-6-704 & impose .5% local tax rate 67-6-702(a)(Sec.164,165); steam, chilled water from metro county govt. exempt s/u tax 67-6-322(g) & repeal 67-6-704 & impose priv tax 67-4-2304 (Sec. 150, 129); dyed diesel fuel exempt s/u tax 67-6-329 & repeal 67-6-704 & impose priv tax 67-4-2501 (Sec. 151, 165, 131); single article to apply only to motor vehicles, aircraft, watercraft, manuf. & modular homes 67-6-702(c) (Sec. 164).
Section 303	**Seller registration**					
		Does the state participate in the multistate online registration system?	Yes, effective 1-1-08.	T.C.A. 67-6-608.	P.C. 357, Sec. 63. T.C.A. 67-6-608(a) and (b). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 117. Eft. 1-1-08.	
		Are voluntary sellers registering under the multistate online registration system exempted from paying registration fees?	Yes	T.C.A. 67-6-601 and 67-6-602.		No fee charged for registration.
Section 305	**Local rate and boundary change**					
		Does the state have local jurisdictions that levy a sales or use tax? If yes, answer the following questions.	Yes			

		A. Does the state limit the effective date of local rate changes to the first day of a calendar quarter after a minimum of 60 days notice?	Yes, effective 7-1-09.		P.C. 357, Sec. 71. T.C.A. 67-6-716(3). P.C. 959, Sec 26, T.C.A 67-6-706(a)(3). Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70.)(All Repealed). 2007 P.C. 602 Sec.166 & 172. Eft. 7-1-09.	
		B. Does the state limit the effective date of local rate changes from catalog sales wherein the purchaser computed the tax based on local tax rates published in the catalog only on the first day of a calendar quarter after a minimum of 120 days notice?	Yes, effective 7-1-09.		P.C. 357, Sec. 71. T.C.A. 67-6-716(2). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 172. Eft. 7-1-09.	
		C. Does the state limit local boundary changes for the purposes of sales and use taxes to the first day of calendar quarter after a minimum of 60 days notice?	Yes, effective 7-1-09.		P.C. 357, Sec. 71. T.C.A. 67-6-716(3). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 172. Eft. 7-1-09.	
		D. Does the state provide a database with boundary changes?	Yes, effective May 2005.		P.C. 357, Sec. 73. T.C.A. 67-6-806(a). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 124. Eft. 1-1-08.	Creation of database completed in May 2005.
		E. Does the state provide a database identifying rate and jurisdictional information based on 5 and 9 digit zip codes?	Yes		P.C. 357, Sec. 73. T.C.A. 67-6-806(c). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 124. Eft. 1-1-08.	Creation of address & 5 digit zip code database was completed in May 2005 and Janaury 2007 the update with 9 digit code information was completed and also available in a downloadable format.

		F. Does the database provided by the state apply the lowest rate in the zip code if the area includes more than one tax rate?	Yes		P.C. 357, Sec. 73. T.C.A. 67-6-806(c). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 124. Eft. 1-1-08.	The data base includes addresses and 5 and 9 digit zip codes and does apply the lowest local tax rate where an area is identifed as including more than 1 local tax rate.
		G. Does the state commit to participating with other states in development of an address-based system?	Yes		P.C. 357, Sec. 73. T.C.A. 67-6-806(d). Eft. 7-1-07. (See: P.C. 959, Sec. 68.).(All Repealed) 2007 P.C. 602 Sec. 124. Eft. 1-1-08.	Tennessee's database is also an address-based system.
Section 306	**Relief from certain liability**					
		Does the state relieve the seller and the CSP from liability for collecting incorrect amount of tax by relying on data provided by state on rates, boundaries, and jurisdiction assignments?	Yes, effective 1-1-08.		P.C. 357, Sec. 61. T.C.A. 67-6-533. Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 110. Eft. 1-1-08.	Effective 1-1-08 Tennessee law provides relief from liablity to sellers, purchasers and CSPs for collecting or remitting an incorrect amount of tax resulting from reliance on erroneous data provided by the commissioner on tax rates, boundaries or taxing jurisdiction assignments in the tax rate and jurisdiction boundary data base. Prior to 1-1-08 such relief of liablity was available to CSPs and their Model 1 Sellers.
Section 307	**Database requirements and exceptions**					
		A. Does the state provide a database per Section 305, in downloadable format?	Yes		P.C. 357, Sec. 73. T.C.A. 67-6-806(b) and (c). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 124. Eft. 1-1-08.	The database with address and 5 digit zip code information was available in a downloadable format June, 2005. The data base with address and 9 digit zip code information was available in a downloadable format January 2007.
Section 308	**State and local tax rates**					

		A. Has the state eliminated multiple state sales and use tax rates after Dec. 31, 2005 (a single additional rate on food/food ingredients/drugs is allowed)?	Yes, effective 7-1-09.		P.C. 357, Sec. 19, 26, 27, 30, 31, 32, 33, 34, 35, 53, 54, 75. P.C. 959, Sec. 54, 56, T.C.A. 67-4-701 et seq. Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70.)(All Repealed) 2007 P.C. 602 Sec. 79 & 81. Eft. 1-1-08. 2007 P.C. 602 Sec. 129, 130, 132, 135, 137, 138, 142, 144, 145, 146, 147, 148, 151, 154, 155, 170. Eft. 7-1-09.	Cable TV - exempt s/u tax 67-6-329 & repeal 67-6-226, 67-6-103(f), 67-6-714 (8.25% state rate) & imposed priv tax 67-6-2401 (Sec. 137,138,147,151, 135,170,130); business interstate telecom svcs - repeal 67-6-221 (7.5% state rate) (Sec. 146); water sold to mfrs - granted s/u exemption & repeal 67-6-206 (1% state rate) & imposed user priv tax on mfrs (Sec. 142,129); energy fuels sold to mfrs - granted s/u exemption & repealed 67-6-206 (1.5% state rate) & imposed user priv tax on mfrs (Sec. 142,129); energy fuels sold to nurseries & greenhouses - granted s/u exemption 67-6-207 & repealed 67-6-218 (1.5% state rate) (effective 1-1-08, P.C. 602 Sec. 79 & 81); Satellite tv – exempt s/u tax 67-6-329 & repeal 67-6-227 (8.25% state rate) & impose priv tax 67-4-2402 (Sec. 137,138,148,151, 130); aviation fuel - exempt s/u tax 67-6-386 & repeal 67-6-217 (4.5% state rate) & impose priv tax 67-4-2701 (Sec. 155,144,132); tpp sold to common carriers for export - exempt s/u tax 67-6-385 & repeal 67-6-219 (3.75% state rate) & impose user priv tax 67-4-2305 (Sec. 154,145,129).
		B. Does the state have local jurisdictions that levy a sales or use tax? If yes, answer the following questions.	Yes	T.C.A. 67-6-701 et seq.		
		1. Do the local jurisdictions have no more than one sales tax rate or one use tax rate per local jurisdiction?	Yes, effective 7-1-09.	T.C.A. 67-6-702(a)(1).	P.C. 357, Sec. 19, 65, 66, 69. Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 129, 154, 164, 165. Eft. 7-1-09.	Vending machines sales excluded from tax rate requirements no change in 2.25% local rate 67-6-702(d) (Sec. 164); Energy fuels delivered by the seller excluded from tax rate requirements imposed at .5% local rate 67-6-702(a) & repealed local exemption 67-6-704 (Sec. 164, 165); intrastate telecom svcs - repeal 67-6-702(g)(1)(2.5% local rate)(Sec. 164); residential interstate telecom svcs - repeal 67-6-702(g)(1.5% local rate)(Sec. 164); water sold to mfrs - exempt s/u tax 67-6-206 & repeal 67-6-702(b)(.5% local rate) & impose user priv tax 67-6-2303 (Sec. 129, 142, 164); tpp sold to common carriers for export - exempt s/u tax 67-6-385 & repeal 67-6-702(e)(1.5% local rate)& impose user priv tax 67 6-2305 (Sec. 129,154,164).
		2. If a local jurisdiction levies both a sales tax and use tax, are the local rates identical?	Yes	T.C.A. 67-6-203(a) and 67-6-702(a).		
Section 310	**General sourcing rules**					

		A. Verify that each sourcing rule is followed by the state as required under Section 309.	Yes, effective 7-1-09.		P.C. 357, Sec. 74. Eft. 7-1-07. (See: P.C. 959, Sec. 68.) 67-6-901 et seq. (All Repealed) 2007 P.C. 602 Sec. 173, 174, 175, 176, 177 & 178. Eft. 7-1-09.	
		1. If received at business location of seller, then sourced to that location.	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(a)(1). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	
		2. If not received at business location of seller, then sourced to location of receipt.	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(a)(2). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	
		3. If subsections 1 & 2 do not apply, then sourced to address of purchaser in business records of seller that are maintained in ordinary course of seller's business.	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(a)(3). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	
		4. If subsections 1, 2 & 3 do not apply, then sourced to address of purchaser obtained during consummation of sale, including address of purchaser's payment instrument, if no other address is available.	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(a)(4). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	

		5. If subsections 1, 2, 3 & 4 do not apply, then sourced to location from which tangible personal property was shipped, from which digital good or computer software delivered electronically was first available for transmission by seller, or from which service was provided.	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(a)(5). P.C. 959, Sec. 61. T.C.A. 67-6-231. Eft. 1-1-07. (See: P.C. 959, Sec. 68, 70.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	
		B. Lease or rental of tangible personal property is sourced as follows:				
		1. If recurring periodic payments, then sourced the same as retail sale. Subsequent payments are sourced to the primary property location for each period covered by the payment?	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(b)(1). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	
		2. If no recurring periodic payments, then sourced in accordance with rules of retail sale?	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(b)(2). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	
		3. Does not affect tax based upon a lump sum or accelerated basis or property acquired for lease?	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(b)(3). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	
		C. Lease or rental of motor vehicles, trailers, semi-trailers, or aircraft that do not qualify as transportation equipment shall be sourced as follows:				
		1. If recurring periodic payments, then sourced to primary property location?	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(c)(1). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	

		2. If no recurring periodic payments, then sourced in accordance with rules of retail sale?	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(c)(2). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	
		3. This provision does not affect tax based upon a lump sum or accelerated basis or property acquired for lease?	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(c)(3). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	
		D. The retail sale, including lease or rental, of transportation equipment shall be sourced in accordance with rules for retail sale?	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(d). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	
		1. Has the state defined transportation equipment as required in Section 310, subsection D, of the Agreement?	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(d). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	

Section 311	**General sourcing definitions**					
		For purposes of Section 310, subsection A, are the terms "receive" and "receipt" defined to mean: taking possession of tangible personal property, making first use of services, or taking possession or making first use of digital goods, whichever comes first? Note: The terms "receive" and "receipt" do not include possession by a shipping company on behalf of the purchaser	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-902(e). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 174 Eft. 7-1-09.	
Section 312	**Multiple points of use**					
		Does the state provide that, notwithstanding Section 310, a business purchaser that does not hold a direct pay permit that knows at time of purchase that digital good, computer software delivered electronically or service will be concurrently available for use in more than one jurisdiction shall provide seller with a Multiple Points of Use Exemption Form?	No.		P.C. 357, Sec. 74. T.C.A. 67-6-903(a). Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (See Sec. 73 SB 2310, 2005 P.C. 499)(All Repealed) 2007 P.C. 602 Sec. 51, 52 & 53 repeal 2003 P.C. 357, 2004 P.C. 959, and 2005 P.C. 499. Eft. 6-28-07.	2007 P.C. 602 repeals multiple points of use provisions scheduled to take effect 7-1-07.
		A. Does the state relieve the seller of obligation upon receipt and purchaser incurs obligation on a direct pay basis?	No.		P.C. 357, Sec. 74. T.C.A. 67-6-903(b). Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (See Sec. 73 SB 2310, 2005 P.C. 499)(All Repealed) 2007 P.C. 602 Sec. 51, 52 & 53 repeal 2003 P.C. 357, 2004 P.C. 959, and 2005 P.C. 499. Eft. 6-28-07	

		B. Does the state allow the purchaser to use any reasonable, but consistent and uniform, method of apportionment supported by purchaser's records as of time of sale?	No.		P.C. 357, Sec. 74. T.C.A. 67-6-903(c). Eff. 7-1-07. (See: P.C. 959, Sec. 68.) (See Sec. 73 SB 2310, 2005 P.C. 499)(All Repealed) 2007 P.C. 602 Sec. 51, 52 & 53 repeal 2003 P.C. 357, 2004 P.C. 959, and 2005 P.C. 499. Eff. 6-28-07.	
		C. Does the state provide that the Multiple Points of Use Exemption form is in effect for all future sales by seller to purchaser (except apportionment), until revoked in writing?	No.		P.C. 357, Sec. 74. T.C.A. 67-6-903(d). Eff. 7-1-07. (See: P.C. 959, Sec. 68.) (See Sec. 73 SB 2310, 2005 P.C. 499)(All Repealed) 2007 P.C. 602 Sec. 51, 52 & 53 repeal 2003 P.C. 357, 2004 P.C. 959, and 2005 P.C. 499. Eff. 6-28-07	
		D. Does the state exempt the holder of a direct pay permit from providing a Multiple Points of Use Exemption Form to the seller and allow the purchaser to use a method of apportionment as provided in subsection B?	No.		P.C. 357, Sec. 74. T.C.A. 67-6-903(e). Eff. 7-1-07. (See: P.C. 959, Sec. 68.) (See Sec. 73 SB 2310, 2005 P.C. 499)(All Repealed) 2007 P.C. 602 Sec. 51, 52 & 53 repeal 2003 P.C. 357, 2004 P.C. 959, and 2005 P.C. 499. Eff. 6-28-07	
Section 313	**Direct mail sourcing**					

		A. Does the state provide that, notwithstanding Section 310, a purchaser of direct mail that does not hold a direct pay permit shall provide to seller a Direct Mail Form or information to show jurisdictions to which mail is delivered?	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-904(a). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 175 Eft. 7-1-09.	
		1. Is the seller relieved of obligation upon receipt and purchaser incurs obligation on a direct pay basis? Form remains in effect for all sales by seller to purchaser.	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-904(a)(1). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 175 Eft. 7-1-09.	
		2. Does the state provide that upon receipt of delivery information, the seller shall collect tax according to purchaser's submitted information and in the absence of bad faith, seller is relieved of further liability?	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-904(a)(2). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 175 Eft. 7-1-09.	
		B. Does the state provide that if the purchaser does not have direct pay permit and does not provide Direct Mail Form or delivery information, seller shall collect tax pursuant to Section 310 (A)(5) of Agreement?	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-904(b). Eft. 1-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 175 Eft. 7-1-09.	
		C. Does the state provide that if purchaser provides documentation of direct pay permit, the purchaser is not required to provide a Direct Mail Form or delivery information to seller?	Yes, effective 7-1-09.		P.C. 357, Sec. 74. T.C.A. 67-6-904(c). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 175 Eft. 7-1-09.	
Section 314	**Telecom sourcing rule**					
		Please verify that each Telecom sourcing rule is followed by the state as required under Section 314 of the Agreement.				

		A. Except for the defined telecom services in subsection C below, if sold on a call-by-call basis, then sourced to each level of taxing jurisdiction where call originates and terminates in that jurisdiction or each level of taxing jurisdiction where call either originates or terminates and in which service address is located?	Yes, effective 7-1-04.	T.C.A. 67-6-905(b)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09 in T.C.A. Section 67-6-905(a).
		B. Except for the defined Telecom services in subsection C below, if sold on a basis other than call-by-call basis, then sourced to customer's place of primary use?	Yes, effective 7-1-04.	T.C.A. 67-6-905(c)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09 in T.C.A. Section 67-6-905(b). Public Chapter 782 and 602 also adopt provisions for sourcing ancillary services to customer's place of primary use pursuant to the January 1, 2008 requirement.
		C1. Is the sale of mobile telecom other than air-to-ground radiotelephone service and prepaid calling service, sourced to customer's place of primary use as required under Mobile Telecommunications Sourcing Act?	Yes, effective 7-1-04.	T.C.A. 67-6-905(d)(1)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09 in T.C.A. Section 67-6-905(c)(1).
		2. Is the sale of post-paid calling service sourced to the origination point of telecom signal as first identified by either the seller's telecom system or information received by the seller from its service provider, where system used to transport signals is not that of the seller?	Yes, effective 7-1-04.	T.C.A. 67-6-905(d)(2)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09 in T.C.A. Section 67-6-905(c)(2).
		3. Is the sale of prepaid calling service sourced in accordance with Section 310 of the Agreement?	Yes, effective 7-1-09.		2007 P.C. 602, Sec. 68. Eft. 1-1-08 and Sec. 176. Eft. 7-1-09. T.C.A. 67-6-905 (c)(3)	Tennessee did not adopt prepaid calling service and prepaid wireless calling service definitions and sourcing in 2004. Prepaid calling cards are defined as tangible personal property and sourced at the time of sale using origin-based sourcing in the same manner as other tangible personal property until 1-1-08. Effective 1-1-08 prepaid calling service and prepaid wireless calling service definitions are adopted and excluded from the definition tangible personal property. Effective 7-1-09 prepaid calling services and prepaid wireless calling services will be sourced using 310 sourcing. See: T.C.A. 67-6-905(c)(3). From 1-1-08 until 7-1-09 prepaid calling services and prepaid wireless calling services are subject to tax at the time of sale using origin-based sourcing.
		4. Is the sale of a private communication service:				
		a. Service for a separate charge related to a customer channel termination point sourced to each level of jurisdiction in which such customer channel termination point is located?	Yes, effective 7-1-04.	T.C.A. 67-6-905(d)(3)(A)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09 in T.C.A. Section 67-6-905(c)(4)(A).

		b. Service where all customer termination points are located entirely within one jurisdiction or levels of jurisdictions sourced in such jurisdiction in which the customer channel termination points are located?	Yes, effective 7-1-04.	T.C.A. 67-6-905(d)(3)(B)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09 in T.C.A. Section 67-6-905(c)(4)(B).
		c. Service for segments of a channel between two customer channel termination points located in different jurisdictions and which segment of channel are separately charged sourced fifty percent in each level of jurisdiction in which the customer channel termination points are located?	Yes, effective 7-1-04.	T.C.A. 67-6-905(d)(3)(C)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.)	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09 in T.C.A. Section 67-6-905(c)(4)(C).
		d. Service for segments of a channel located in more than one jurisdiction or levels of jurisdiction and which segments are not separately billed sourced in each jurisdiction based on the percentage determined by dividing the number of customer channel termination points in such jurisdiction by the total number of customer channel termination points?	Yes, effective 7-1-04.	T.C.A. 67-6-905(d)(3)(D)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09 in T.C.A. Section 67-6-905(c)(4)(D).
Section 315	**Telecom sourcing definitions**					
		Does the state define the following terms in sourcing telecommunications:				
		A. Air-to-ground radiotelephone service?	Yes, effective 7-1-04.	T.C.A. 67-6-905(a)(1)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09.
		B. Call-by-call basis?	Yes, effective 7-1-04.	T.C.A. 67-6-905(a)(2)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09.
		C. Communications channel?	Yes, effective 7-1-04.	T.C.A. 67-6-905(a)(3)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09.
		D. Customer?	Yes, effective 7-1-04.	T.C.A. 67-6-905(a)(4)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09.

		E. Customer channel termination point?	Yes, effective 7-1-04.	T.C.A. 67-6-905(a)(5)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09.
		F. End user?	Yes, effective 7-1-04.	T.C.A. 67-6-905(a)(6)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09.
		G. Home service provider?	Yes, effective 7-1-04.	T.C.A. 67-6-905(a)(7)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09.
		H. Mobile telecommunications service?	Yes, effective 7-1-04.	T.C.A. 67-6-905(a)(8)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09.
		I. Place of primary use?	Yes, effective 7-1-04.	T.C.A. 67-6-905(a)(9)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 902 Section 176 replaces with the exact same language effective 7/1/09.
		J. Post-paid calling service?	Yes, effective 7-1-04.	T.C.A. 67-6-905(a)(10)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 effective July 1, 2009 adopts provision for amendments to Section 315 (J) required January 1, 2008.
		K. Prepaid calling service?	Yes, effective 1-1-08.		P.C. 357, Sec. 74. T.C.A. 67-6-905(d)(11). Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (See: P.C. 499, Sec. 74)(All Repealed) 2007 P.C. 602, Sec. 68. Eft. 1-1-08 & Sec. 176. Eft. 7-1-09.	Tennessee did not enact prepaid calling service and prepaid wireless calling service definitions and sourcing in 2004. Prepaid calling cards are defined as tangible personal property and sourced at the time of sale using origin-based sourcing in the same manner as other tangible personal property until 1-1-08. Effective 1-1-08 prepaid calling service and prepaid wireless calling service definitions are adopted and excluded from the definition tangible personal property. (See P.C. 602 Sec. 68) Effective 1-1-08 prepaid calling services and prepaid wireless calling services are subject to tax at the time of sale using origin-based sourcing. Effective 7-1-09 prepaid calling services and prepaid wireless calling services will be sourced using 310 sourcing.

		L. Private communication service?	Yes, effective 7-1-04.	T.C.A. 67-6-905(a)(11)	2004 P.C. 782 Sec. 14 Eft. 7/1/04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09.	2007 Public Chapter 602 Section 176 replaces with the exact same language effective 7/1/09 in T.C.A. 67-6-905(a)(13).
		M. Service address?	Yes, effective 7-1-04.	T.C.A. 67-6-905(a)(12)	2004 P.C. 782 Sec. 14. Eft. 7-1-04. 2007 P.C. 602, Sec. 176. Eft. 7-1-09. 2007 P.C. 602, Sec. 65. Eft. 1-1-08.	2007 Public Chapter 602 Section 176 replaces with the same language effective 7/1/09 in T.C.A. 67-6-905(a)(14). 2007 Public Chapter 602 Section 65 effective January 1, 2008 amends 67-6-102(42) in general sales and use tax definitions.
Section 316	**Enactment of Exemptions**					
		Product-based exemptions. Can the state confirm that where the Agreement has a definition for a product or for a term that includes the product, the state exempts all items within each definition and does not tax only part of the items included within each definition?	Yes, effective 1-1-08.	T.C.A. 67-6-207(a)(14), 67-6-301 - 67-6-392	See: Taxability Matrix. See Also: P.C. 357, Sec. 15, 36, 40, 48, and 52; P.C. 959, Sec. 2, 4, 11, 12, 13, 14, 17. Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70.)(All Repealed) 2007 P.C. 602 Sec. 61, 68 - product definitions effective 1-1-08; Sec. 83 - food & food ingredients, 84,85,86,89,92, 93,96. Eft. 1-1-08.	
		Entity - and use-based exemptions. Can the state confirm that in any entity-based or use-based exemption that includes a product that is defined by the Agreement, the exemption uses the Agreement definition of the product?	Yes, effective 1-1-08.	T.C.A. 67-6-207(a)(14), 67-6-319, 67-6-348, 67-6-356, 67-6-389, 67-6-390, 67-6-395 effective now	P.C. 357, Sec. 15, 36, 40, 48, 52. P.C. 959, Sec. 14, 17, Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70.)(All Repealed) 2007 P.C. 602 Sec. 79, 82, 84, 93, 96, 98, 99, 100. Eft.1-1-08.	P.C. 602 Sec. 79 - drugs sold to farmers, Sec. 82 - common carriers , Sec. 84, 93 & 96 - food and food ingredients etc. sold by schools & school support groups & food stamps, Sec. 98 - drugs purchased by veterinarians, Sec. 99 - private communications used in headquarters, Sec. 100 - computer software self fabricated for own use, Eft.1-1-08.
Section 317	**Administration of exemptions**					
		A. Does the state provide for the following in regard to purchasers claiming exemption:				

		1. Seller shall obtain identifying information from purchaser and reason for claiming exemption?	Yes, effective 1-1-08.		P.C. 357, Sec. 57. T.C.A. 67-6-409(a)(1). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 103. Eft. 1-1-08.	
		2. Purchaser is not required to provide signature, unless paper exemption certificate?	Yes, effective 1-1-08.		P.C. 357, Sec. 57. T.C.A. 67-6-409(a)(2). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 103. Eft. 1-1-08.	
		3. Seller shall use standard form for claiming exemption electronically?	Yes, effective 1-1-08.		P.C. 357, Sec. 57. T.C.A. 67-6-409(a)(3). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 103. Eft. 1-1-08.	
		4. Seller shall obtain same information for proof regardless of medium?	Yes, effective 1-1-08.		P.C. 357, Sec. 57. T.C.A. 67-6-409(a)(4). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 103. Eft. 1-1-08.	
		5. Seller shall maintain records of exempt transaction and provide to state when requested?	Yes, effective 1-1-08.		P.C. 357, Sec. 57. T.C.A. 67-6-409(a)(6). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 103. Eft. 1-1-08.	
		B. Does the state relieve the seller that follows above requirements from any tax if determined that purchaser improperly claimed exemption and hold purchaser liable? Does not apply to seller who fraudulently fails to collect or solicits purchasers to participate in unlawful claim of exemption.	Yes, effective 1-1-08.		P.C. 357, Sec. 57. T.C.A. 67-6-409(b)(c) and (d). Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (See P.C. 499 Sec. 72) (All Repealed) 2007 P.C. 602 Sec. 103. Eft. 1-1-08.	Amendments to Section 317(B) and (C) required January 1, 2008 are included in 2007 P.C. 602 Section 103 effective 1/1/08 in T.C.A. Section 67-6-409(b).

Section 318	Uniform tax returns					
		Does the state:				
		A. Require that only one tax return for each taxing period for each seller be filed for the state and all local jurisdictions?	Yes, effective 7-1-09.	T.C.A. 67-6-504(a)	P.C. 357, Sec. 58. T.C.A. 67-6-504(a). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 158. Eft. 7-1-09.	
		B. Require that returns be filed no sooner than the twentieth day of the month following the month in which the transaction occurred?	Yes	T.C.A. 67-6-504(a)	P.C. 959, Sec. 21, T.C.A. 67-6-536(d)(4). Eff. 7-1-07. (See: P.C. 959, Sec. 70.)(All Repealed) 2007 P.C. 602 Sec. 113. Eft. 1-1-08.	Currently, Tennessee sales and use tax returns are due on the twentieth of month following the reporting period. Effective 1/1/08 P.C. 602 Sec. 113 provides that tax returns filed by sellers qualifying under Section 318(D) of the Agreement are due on the twentieth of the month following the reporting period.
		C. Allow any Model 1, 2 or 3 seller to submit its return in a simplified format that does not include more data fields than permitted by the governing board?	Yes, effective 7-1-09.		P.C. 357, Sec. 61. T.C.A. 67-6-536(a). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 113. Eft. 1-1-08. 2007 P.C. 602 Sec. 161. Eft. 7-1-09.	Currently, Tennessee allows sellers that do not have a location in Tennessee and are Model 1 or 2 sellers the option of filing a return using the Streamlined SER. Effective July 1, 2009 P.C. 602 Sec. 161 provides any seller that is a Model 1 or 2 Seller the option of filing a return using the Streamlined SER.
		D. Allow a seller that is registered under the Agreement, which does not have a legal requirement to register in the state, and is not a Model 1, 2 or 3 seller to file a return no more than once per year unless the seller has accumulated more than $1,000 in state and local taxes?	Yes, effective 1-1-08.		P.C. 357, Sec. 61. T.C.A. 67-6-536(d). P.C. 959, Sec. 21, T.C.A. 67-6-536. Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70.)(All Repealed) 2007 P.C. 602 Sec. 113. Eft. 1-1-08.	

Section 319	**Uniform rules for remittance of funds**					
		Does the state:				
		A. Require only one remittance for each return and only require additional remittance if: (1) seller collects more than $30,000 in sales and use taxes in state during preceding year, (2) the additional remittance is determined through a calculation method, and (3) the seller is not required to file additional return?	Yes.		P.C. 357, Sec. 58. T.C.A. 67-6-504(a). Eft. 7-1-07. (See: P.C. 959 Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 106. Eft. 1-1-08.	Currently, Tennessee requires one return with one remittance. No prepayments are required.
		B. Allow for payment by both ACH Credit & ACH Debit?	Yes		P.C. 357, Sec. 61. T.C.A. 67-6-536(c). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 113. Eft. 1-1-08.	Currently, Tennessee allows any seller or CSP to make payments by both ACH Credit and ACH Debit.
		C. Provide alternative method for "same day" payment if electronic fund transfer fails (electronic check or Fed Wire)?	Yes		P.C. 357, Sec. 61. T.C.A. 67-6-536(c). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 113. Eft. 1-1-08.	Currently, Tennessee provides for such an alternative method for payment if electronic fund transfer fails.
		D. Provide that if due date falls on a legal banking holiday in state, taxes due on next business day?	Yes.	T.C.A. 4-1-402 and 67-1-102		Tennessee also does this administratively under the statutory powers granted the commissioner to administer the assessment and collection of taxes.
		E. Require any data that accompanies remittance to be formatted using uniform tax type and payment type codes?	Yes	T.C.A 67-6-403		Tennessee has broad authority to adopt forms in current law.
Section 320	**Uniform rules for recovery of bad debts**					
		Does the state:				
		A. Allow a deduction for bad debts?	Yes	T.C.A. 67-6-507(e)(1) (2) & (3)	P.C. 357, Sec. 59. T.C.A. 67-6-507(e). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 107. Eft. 1-1-08.	

		B. Use definition of bad debt in 26 U.S.C. Sec. 166 as basis with adjustment to exclude: financing charges or interest; sales or use taxes charged on purchase price; uncollectible amounts on property that remains in possession of seller until full price paid; expenses incurred in attempt to collect debt, and repossessed property?	Yes		P.C. 357, Sec. 59. T.C.A. 67-6-507(e)(2). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 107. Eft. 1-1-08.	
		C. Allow bad debts to be deducted on return for period during which bad debt is written off on books and records and is eligible be deducted for federal income tax purposes? If no federal return, use books & records and apply as if had filed federal return?	Yes, effective 1-1-08.		P.C. 357, Sec. 59. T.C.A. 67-6-507(e)(3). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 107. Eft. 1-1-08.	Tennessee statutes currently provide for an deduction for bad debt that is the same as provided in the Agreement with the exception that the taxpayer must have filed the federal return and taken the bad debt deduction on its federal return before taking the deduction in Tennessee. January 1, 2008 current Tennessee statutes are repealed and provisions of the Agreement for recovery of bad debt including when a taxpayer is eligible to take a deduction for bad debt becomes effective.
		D. Require that, if deduction is taken and it is later collected in whole or part, tax must be reported on return for period in which collection made?	Yes		P.C. 357, Sec. 59. T.C.A. 67-6-507(e)(4). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 107. Eft. 1-1-08.	
		E. Provide that, when amount of bad debt exceeds taxable sales for period when written off, refund claim may be filed within statute of limitations (measured from due date of return on which bad debt could first be claimed)?	Yes, effective 1-1-08.		P.C. 357, Sec. 59. T.C.A. 67-6-507(e)(5). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 107. Eft. 1-1-08.	
		F. Where filing responsibilities assumed by CSP, allow service provider to claim, on behalf of seller, any bad debt allowance? CSP must credit or refund full amount of allowance or refund received to seller.	Yes		P.C. 357, Sec. 59. T.C.A. 67-6-507(e)(6). P.C. 959, Sec. 51. T.C.A. 67-1-1802(d). Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70.)(All Repealed) 2007 P.C. 602 Sec. 56 &107. Eft. 1-1-08.	In 2006 Tennessee adopted provisions providing that while Tennessee is an associate member CSPs have all rights, liabilities, duties and responsiblities as if a Model 1 seller which would include allowing CSP to claim on behalf of seller a bad debt allowance. Effective January 1, 2008 repeal 2006 law changes and repeal language related to Tennessee status as an associate member and replace with language specifcally allowing CSPs to file refunds or take an allowance for bad debit for the Model 1 seller.

		G. Provide that, for purposes of reporting payment on previously claimed bad debt, any payments made are applied first proportionately to taxable price of property or service and sales tax thereon, and secondly to interest, service charges, and any other charges?	Yes, effective 1-1-08.		P.C. 357, Sec. 59. T.C.A. 67-6-507(e)(7). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 107. Eft. 1-1-08.	
		H. If books and records of party support allocation among states, then permit allocation?	Yes, effective 1-1-08.		P.C. 357, Sec. 59. T.C.A. 67-6-507(e)(8). Eft. 7-1-07. (See: P.C. 959, Sec. 68.)(All Repealed) 2007 P.C. 602 Sec. 107. Eft. 1-1-08.	
Section 321	**Confidentiality and privacy protections under Model 1**					
		A. Does the state provide public notification to consumers, including exempt purchasers, of state's practices relating to collection, use and retention of personally identifiable information?	Yes	67-1-1701 et seq.	P.C. 959, Sec. 49, Eft. 7-1-07. (See: P.C. 959, Sec. 70) (All Repealed) P.C. 602 Sec. 54. T.C.A. 67-1-110(6) Eft. 1-1-08.	Amended Taxpayer Bill of Rights to allow consumer to know TDR policy regarding this information efftective January 1, 2008. Tennessee currently publishes on website list of confidentiality and privacy rights and protections provided under Tennessee law.
		B. Does the state provide that when any personally identifiable information is no longer required for purposes in subsection (D)(4), such information shall no longer be retained by state?	Yes	T.C.A. 67-1-1701 et seq.		
		C. Does the state provide that when personally identifiable information regarding an individual is retained by or on behalf of state, state shall provide reasonable access to information by such individual and a right to correct inaccurate information?	Yes	T.C.A. 67-1-1701 et seq.		Under current practice, a taxpayer may have access to information and a right to correct information.
		D. Does the state provide that if anyone other than a member state or person authorized by state law or Agreement, seeks to discover personally identifiable information, state should make reasonable and timely effort to notify individual of request?	No	T.C.A. 67-1-1701 et seq.		State law does not authorize release of personally identifiable information under broad confidentiality protections and provides severe penalties in case of a violation. Nothing in Tennessee law prevents the department from notifying an individual that another person discovered or attempted to discover personally identifiable information about the individual that was in violation of Tennessee statutes.
		E. Is the state's privacy policy subject to enforcement by state's AG or other appropriate government authority?	Yes	T.C.A. 8-6-301		Confidentiality provisions are enforced by state's attorney general.

Section 322	**Sales tax holidays**					
		A. Does the state allow for sales tax holidays? If yes, does the state:	Yes	T.C.A. 67-6-393		Tennessee's first Sales Tax Holiday effective 7/1/06 in T.C.A. 67-6-393 and scheduled for the first Friday through Sunday in August 2006. Subsequent scheduled Sales Tax Holidays were held in April 2007 and August 2007.
		1. Limit the holiday exemptions after December 31, 2004, to items that are specifically defined in Agreement and exemptions are uniformly applied?	Yes	T.C.A. 67-6-393 & definitions T.C.A. 67-6-102		Applies to clothing ($100 or less per item), school supplies ($100 or less per item), and computers ($1,500 or less per item) and in August 2007 school art supplies ($100 or less per item) was added.
		2. Provide notice of holiday at least 60 days prior to first day of calendar quarter in which holiday will begin?	Yes	T.C.A. 67-6-393		
		B. Does the state use price thresholds during a holiday? If yes, does the state:	Yes	T.C.A. 67-6-393(a)(1-4)		
		1. Provide that the threshold established by state includes only items priced below threshold?	Yes	T.C.A. 67-6-393(a)(1-4)		Applies to clothing ($100 or less per item), school supplies ($100 or less per item), and computers ($1,500 or less per item) and in August 2007 school art supplies ($100 or less per item) was added.
		2. Confirm that the state does not exempt only a portion of the price of an individual item during holiday?	Yes	T.C.A. 67-6-393(a)(1-4)		
		C. Does the state meet procedural requirements for holidays? If yes, does the state provide procedures for:	Yes			
		1. Layaway sales?	Yes	T.C.A. 67-6-393(d)(1)		
		2. Bundled sales?	Yes, effective 7-01-09.		P.C 602 Sec. 133, 162. Eft. 7-01-09	Effective July 1, 2009 Tennessee has adopted the definition of a bundled transaction and provisions for tax treatment of a bundled transaction. From January 1, 2008 until July 1, 2009 provisions of the sales price definition apply for exempt personal property bundled with taxable personal property.
		3. Coupons and discounts?	Yes	T.C.A. 67-6-393(d)(2)		
		4. Splitting of items normally sold together?	Yes	T.C.A. 67-6-393(d)(3)		
		5. Rain checks?	Yes	T.C.A. 67-6-393(d)(4)		
		6. Exchanges?	Yes	T.C.A. 67-6-393(d)(5)		
		7. Delivery charges?	Yes	T.C.A. 67-6-393(d)(6)		
		8. Order date and back orders?	Yes	T.C.A. 67-6-393(d)(7)		
		9. Returns?	Yes	T.C.A. 67-6-393(d)(8)		
		10. Different time zones?	Yes	T.C.A. 67-6-393(d)(9)		
Section 323	**Caps and thresholds**					
		A. Does the state:				

		1. Eliminate all caps or thresholds on application of rates or exemptions that are based on value of transaction or item after December 31, 2005? OK until that date.	Yes, effective 7-01-09.		P.C. 357, Sec. 6, 7, 20, 25, 27, 34, 46, 50, 64, 81. Eft. 7-01-07. (Sec. 20 and 64 Eft. 7-1-07.) (See: P.C. 959, Sec. 68.) (All Repealed) P.C. 602 Sec. 58, 59, 93. Eft. 1-1-08 P.C.602 Sec. 152, 164 Eft. 7-1-09	Effective 1-1-08 - P.C. 602 Sec. 58, 79 - Farm equipment threshold ($250.) eliminated thru grant of exemption in 67-6-207 & imposition of entity-based exemption; Sec. 59 - Remanufacturing industrial machinery threshold ($1,000.) eliminated in 67-6-(102) (a)(27)(A)(iv)(B); Sec. 93 - Threshold on casket & burial vault of $500 removed and repealed 67-6-329(a)(11); Sec. 93 - s/u tax exemption for US flags & Tennessee flags sold by nonprofit. Effective 7-1-09 - P.C. 602 Sec. 152 - Amusement tax threshold for exemption of first $150 annual dues for memberships to rec clubs & community svcs org. repealed with repeal of 67-6-330(a)(3); Sec. 164 - Local option single article limitation repealed except on motor vehicles, aircraft, watercraft, manuf. and modular homes sold unafixed to real property; Sec. 130, 135, 151, 170 - Cable tv thresholds repealed, granted s/u tax exemption and imposed priv. tax 67-4-2401. Sec. 164 - State tax on single articles repealed effective 7-1-09 except on motor vehicles, aircraft, watercraft, manuf. and modular homes sold unafixed to real prop
		2. Eliminate all caps that are based on application of rates unless the application of rates are administered in a manner that places no additional burden on retailer?	N/A			Tennessee law contains no caps on overall tax rates.
		B. Does the state that has local jurisdictions that levy sales or use tax eliminate caps or thresholds on application of rates or exemptions that are based on value of transaction or item after December 31, 2005? OK until that date.	Yes, effective 7-1-09.	T.C.A. 67-6-702(a) and (d).	See #1 Above	
Section 324	**Rounding rule**					
		A. Does the state provide that the tax computation must be carried to the third decimal place after December 31, 2005.	Yes, effective 1-1-08.		P.C. 357, Sec. 58. T.C.A. 67-6-504(h). Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (All Repealed) P.C. 602 Sec. 106 T.C.A. 67-6-504(h) Eft. 1-1-08	
		B. Does the state provide that the tax must be rounded to a whole cent using a method that rounds up to next cent whenever third decimal place is greater than four after December 31, 2005.	Yes, effective 1-1-08.		P.C. 357, Sec. 58. Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (All Repealed) P.C. 602 Sec. 106. T.C.A. 67-6-504(h) Eft. 1-1-08	

		C. Does the state allow sellers to elect to compute tax due on a transaction, on a item or invoice basis, and shall allow rounding rule to be applied to aggregated state and local taxes?	Yes, effective 1-1-08.		P.C. 357, Sec. 58. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed) P.C. 602 Sec. 106. T.C.A. 67-6-504 (h) & (i)Eft. 1-1-08	
		D. Can the state confirm that it has repealed any requirements for sellers to collect tax on bracket system?	Yes, effective 1-1-08.		P.C. 357, Sec. 58. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed) P.C. 602 Sec. 106. T.C.A. 67-6-504(i) Eft. 1-1-08	
Section 325	**Customer refund procedures**					
		A. Does the state provide that a cause of action against seller does not accrue until purchaser has provided written notice to seller and seller has had 60 days to respond? Notice must contain information necessary to determine validity of request.	Yes, effective 1-1-08.		P.C. 357, Sec. 61. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed) P.C. 602 Sec. Sec. 115. T.C.A. 67-6-538(d)	
		B. Does the state provide for uniform language in regard to presumption of a reasonable business practice when seller: I) uses either a provider or a system, including a proprietary system, that is certified by the state; and ii) has remitted to state all taxes collected, less deductions, credits or collection allowances?	Yes, effective 1-1-08.		P.C. 357, Sec. 61 Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (All Repealed) P.C. 602 Sec. 115. Eft. 1-1-08. T.C.A. 67-6-538(e)	
Section 326	**Direct pay permits**					
		Does the state provide for a direct pay authority?	Yes	Tenn. Comp. R. & Reg. 68(4).		
Section 327	**Library of definitions**					

		Does the state use common definitions as provided in Section 327 of the Agreement and set out in the Library of Definitions in Appendix C?	Yes, effective 1-1-08 except bundled transaction which is effective 7-1-09.	See T.C.A. 67-6-102 (2) (4)(5)(6)(7)(13)(21)(22) (23)(24)(28)(31)(32)(33) (43)(46) & T.C.A. 67-6-905 (a) (1-12) effective now.	P.C. 357, Sec. 3,4, 8,9,10,12,14,15, 36,40,47,48,52; P.C. 959, Sec. 1,2, 3,4. Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (All Repealed) See: P.C. 602 Sec. 60, 61 62,64,65,66,68 for definitions & Sec. 71,74,79,80, 83-86,89,92,93, 95,96,98,99, & 100 for use of definitions. Eft. 1-1-08. P.C. 602 Sec. 133. Eft. 7-1-09.	P.C. 602 Sec. 133 and 162. Eft. 7-1-09 for definition of bundled transaction.
		A. If term defined in Library appears in state's statutes, rules or regulations, does the state adopt definition in substantially same language?	Yes, effective 1-1-08 except bundled transaction which is effective 7-1-09.		See Above	
		B. Can the state confirm that it does not use a Library definition that is contrary to meaning of Library definition?	Yes, effective 1-1-08 except bundled transaction which is effective 7-1-09.		See Above	
		C. Except as provided in Section 316 and Library, can the state confirm that it imposes tax on all products and services included within each definition or exempt from tax all products or services within each definition?	Yes, effective 1-1-08.		P.C. 357, Sec. 15, 36, 40, 48, 52. P.C. 959, Sec. 4, 9, 13. Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70.) (All Repealed) P.C. 601 Sec. 68, 83, 89, 92, 93. Eft. 1-1-08.	School lunch exemption now uses SST prepared food definition. P.C. 602 Sec. 93, 67-6-329. Durable medical equipment, mobility enhancing equipment and prosthetic devices now used instead of canes, wheel chairs, crutches, walkers, ics, artificial limbs, etc. P.C. 602 Sec. 89, 67-6-314. SST definition now used for alcoholic beverages. P.C. 602 Sec. 83, 67-6-228(b). Prepared food definition now conformed to SST definition, P.C. 602 Sec. 68, 67-6-228. Exemption for disposable medical supplies for oxygen administration and disposable ostomy supplies for human use conform to use of other medical definitions P.C. 602 Sec. 89, 67-6-314. Over-the-counter drugs and grooming and hygiene products used in the exemption for drugs that are prescribed P.C. 602 Sec. 92.

Section 328	**Taxability matrix**					
		A. Has the state completed its taxability matrix in the downloadable format approved by Governing Board?	Yes			Tennessee has completed the taxability matrix and will post to the state's web site with submission of the petition for member in August of 2007.
		B. Has the state relieved sellers and CSP from liability to state and its local jurisdictions for having charged and collected incorrect tax resulting from erroneous data in matrix?	Yes, effective 1-1-08.		P.C. 959, Sec. 22. Eft. 7-1-07. (See: P.C. 959, Sec. 70.) (All Repealed) P.C. 602 Sec. 114. Eft. 1-1-08. T.C.A. 67-6-537(d)	
Section 329	**Effective date for rate changes**					
		Does the state provide that the effective date of rate changes for services covering a period starting before or ending after statutory effective date shall be as follows:	Yes			Tennessee does this administratively under the statutory powers granted the commissioner to administer the assessment and collection of taxes, and will publish policy to this effect.
		1. For rate increase, new rate shall apply to first billing period starting on or after effective date?	Yes	See Above		See Above
		2. For rate decrease, new rate shall apply to bills rendered on or after effective date?	Yes	See Above		See Above
Section 401	**Seller participation**					
		A. Does the state participate in the Governing Board's online registration system?	Yes, effective 10-01-05.		P.C. 357, Sec. 63. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed) P.C. 602 Sec. 117. Eft. 1-1-08. T.C.A. 67-6-608(a)	Since Tennessee became an associate member state, it has particpated in the Streamlined Central Registration System pursuant to actions of the commissioner authorized by T.C.A. 67-6-805(a).
		B. Does the state provide that it will not use registration with central registration system and collection of taxes in member states in determining whether seller has nexus with state for any tax at any time?	Yes, effective 1-1-08.		P.C. 959, Sec. 23. Eft. 7-1-07. (See: P.C. 959, Sec. 70) (All Repealed) P.C. 602 Sec. 117. Eft. 1-1-08 T.C.A. 67-6-608(c).	Since Tennessee became an associate member state, it has particpated in the Streamlined Central Registration System and has complied with this requirement pursuant to T.C.A. 67-6-805(a) and 67-6-806(4).
Section 402	**Amnesty for registration**					
		A. Subject to limitations in this section:				
		1. Does the state provide amnesty to seller who registers to pay or collect and remit applicable tax in accordance with Agreement, provided seller was not so registered in state in 12-month period preceding effective date of state's participation in agreement?	Yes	T.C.A. 67-6-537(a-c)	2005 P.C. 499 Sec.65 Eft.6-22-05. P.C. 602 Sec. 114. Eft. 1-1-08	P.C. 602 Sec. 114 repeals and replaces language in T.C.A. 67-6-537 (a-c) that was effective 6-22-05 with the same language effective 1-1-08.

		2. Does the state provide that amnesty will preclude assessment for tax together with penalty and interest for sales made during period seller was not registered in state, provided registration occurs within 12 months of effective date of state's participation in Agreement?	Yes	T.C.A. 67-6-537(b)	2005 P.C. 499 Sec.65 Eft.6-22-05. P.C. 602 Sec. 114. Eft. 1-1-08	
		3. Does the state provide that Amnesty shall be provided when that state joins Agreement after seller has registered?	Yes	T.C.A. 67-6-537(a)(1)	2005 P.C. 499 Sec.65 Eft.6-22-05. P.C. 602 Sec. 114. Eft. 1-1-08	
		B. Does the state provide that amnesty is not applicable to seller if notice of audit is received and audit is not yet resolved, including any related administrative and judicial processes?	Yes	T.C.A. 67-6-537(a)(3)	2005 P.C. 499 Sec.65 Eft.6-22-05. P.C. 602 Sec. 114. Eft. 1-1-08	
		C. Does the state provide that amnesty is not applicable to taxes already paid to state or collected by seller?	Yes	T.C.A. 67-6-537(c)(1)	2005 P.C. 499 Sec.65 Eft.6-22-05. P.C. 602 Sec. 114. Eft. 1-1-08	
		D. Does the state provide that amnesty is fully effective, absent fraud or misrepresentation of material fact, as long as seller continues registration and continues payment of taxes for period of at least 36 months? State shall toll statute applicable to asserting a tax liability during 36 month period.	Yes	T.C.A. 67-6-537(c)(3)	2005 P.C. 499 Sec.65 Eft.6-22-05. P.C. 602 Sec. 114. Eft. 1-1-08	
		E. Does the state provide that amnesty is applicable only to taxes due from seller in capacity as seller and not in capacity as buyer?	Yes	T.C.A. 67-6-537(c)(2)	2005 P.C. 499 Sec.65 Eft.6-22-05. P.C. 602 Sec. 114. Eft. 1-1-08	
Section 403	**Method of remittance**					
		Does the state provide that a seller may select one of the technology models:	Yes, effective 1-1-08.		P.C. 357, Sec. 58. Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (All Repealed) P.C. 602 Sec. 68, 106. T.C.A. 67-6-504 (j)(1) Eft. 1-1-08.	
		A. Model 1-seller selects CSP as agent to perform all functions except remit tax on its own purchases?	Yes, effective 1-1-08.	T.C.A. 67-6-102(28) for definition of Model 1 Seller effective 6-27-06.	P.C. 357, Sec. 15, 58. Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (All Repealed) P.C. 602 Sec. 106. T.C.A. 67-6-504 (i)(2) Eft. 1-1-08.	

		B. Model 2-seller selects CAS which calculates amount of tax due?	Yes, effective 1-1-08.		P.C. 357, Sec. 15, 58. Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (All Repealed) P.C. 602 Sec. 68, 106. T.C.A. 67-6-504 (i)(3) Eft. 1-1-08.	
		C. Model 3-seller utilizes own proprietary system that has been certified as a CAS?	Yes, effective 1-1-08.		P.C. 357, Sec. 15, 58. Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (All Repealed) P.C. 602 Sec. 68. Eft. 1-1-08.	
Section 404	**Registration by an agent**					
		Does the state provide that a seller may be registered by agent?	Yes	T.C.A. 67-6-102(4) for definition of certified service provider effective 6-27-06.	P.C. 357, Sec. 63. Eft. 7-1-07. (See: P.C. 959, Sec. 68.) (All Repealed) P.C. 602 Sec. 117. Eft. 1-1-08. T.C.A. 67-6-608(a)	
Section 501	**Provider and System Certification**					
		A. Does state law provide for provider and system certification to aid in the administration of sales and use tax collection?	Yes, effective 1-1-08.	T.C.A. 67-6-102(4) for definition of certified service provider effective 6-27-06.	P.C. 357, Sec. 15, 58. T.C.A. Eft. 7-1-07. (See: P.C. 959 Sec. 68.) (All Repealed) P.C. 602 Sec. 68, 106, 117. Eft. 1-1-08. T.C.A. 67-6-504 (j-i)	
Section 601	**Monetary allowance under Model 1**					

		A. Does state law provide for a monetary allowance of CSPs as may be required in accordance with the terms of a contract between the Governing Board and the CSP?	Yes, effective 6-22-05.	T.C.A. 67-6-542	2005 P.C. 499 Sec. 67 Eft. 6-22-05. P.C. Sec. 67 Eft. 6-27-06. T.C.A. 67-6-542. (P.C. 959, Sec.20. Eft. 7-1-07 Repealed.) P.C. 602 Sec. 108. Eft. 1-1-08. T.C.A. 67-6-509(c-e) P.C. 602 Sec. 109 Eft. 1-1-08 repeals T.C.A. 67-6-542.	
		B. Does state law provide for a percentage of revenue monetary allowance for a voluntary seller's registration through a CSP for a period not to exceed 24 months?	Yes, effective 6-22-05.	T.C.A. 67-6-542	2005 P.C. 499 Sec. 67 Eft. 6-22-05. P.C. Sec. 67 Eft. 6-27-06. T.C.A. 67-6-542. (P.C. 959, Sec.20. Eft. 7-1-07 Repealed.) P.C. 602 Sec. 108. Eft. 1-1-08. T.C.A. 67-6-509(c-e) P.C. 602 Sec. 109 Eft. 1-1-08 repeals T.C.A. 67-6-542.	
Section 602	**Monetary allowance for Model 2 sellers**					
		A. Does state law provide for a monetary allowance for Model 2 sellers as may be required by the Governing Board?	Yes, effective 6-22-05.	T.C.A. 67-6-542	2005 P.C. 499 Sec. 67 Eft. 6-22-05. P.C. Sec. 67 Eft. 6-27-06. T.C.A. 67-6-542. (P.C. 959, Sec.20. Eft. 7-1-07 Repealed.) P.C. 602 Sec. 108. Eft. 1-1-08. T.C.A. 67-6-509(c-e) P.C. 602 Sec. 109 Eft. 1-1-08 repeals T.C.A. 67-6-542.	

		B. Does state law provide for a percentage of revenue monetary allowance for a period not to exceed 24 months for a voluntary seller's registration?	Yes, effective 6-22-05.	T.C.A. 67-6-542	2005 P.C. 499 Sec. 67 Eft. 6-22-05. P.C. Sec. 67 Eft. 6-27-06. T.C.A. 67-6-542. (P.C. 959, Sec.20. Eft. 7-1-07 Repealed.) P.C. 602 Sec. 108. Eft. 1-1-08. T.C.A. 67-6-509(c-e) P.C. 602 Sec. 109 Eft. 1-1-08 repeals T.C.A. 67-6-542.	
Section 603	**Monetary allowance for Model 3 sellers and all other sellers that are not under Models 1 or 2**					
		A. Does state law provide for a percentage of revenue monetary allowance for a period not to exceed 24 months for a voluntary Model 3 seller's registration and all other sellers that are not using Models 1, 2, or 3?	Yes, effective 6-22-05.	T.C.A. 67-6-542	2005 P.C. 499 Sec. 67 Eft. 6-22-05. P.C. Sec. 67 Eft. 6-27-06. T.C.A. 67-6-542. (P.C. 959, Sec.20. Eft. 7-1-07 Repealed.) P.C. 602 Sec. 108. Eft. 1-1-08. T.C.A. 67-6-509(c-e) P.C. 602 Sec. 109 Eft. 1-1-08 repeals T.C.A. 67-6-542.	
		APPENDIX C - LIBRARY OF DEFINITIONS				
		Please verify for each item that the state uses the definition provided by the Agreement. If the item is not applicable in your state, answer "N/A."				
Part I	**Administrative definitions**					
		1. Delivery charges	Yes, effective 1-1-08.		P.C. 357, Sec. 15. P.C. 959, Sec. 1. Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70.) (All Repealed.) P.C. 602 Sec. 68. Eft. 1-1-08	

		a. If a shipment includes exempt property and taxable property, the seller allocates the delivery charge by using a percentage based on the sales price or a percentage based on weight. The seller taxes the percentage of the delivery charge allocated to taxable property but does not tax the percentage of the delivery charge allocated to the exempt property.	Yes, effective 1-1-08.		P.C. 357, Sec. 15. P.C. 959, Sec. 1. Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70.) (All Repealed.) P.C. 602 Sec. 68. Eft. 1-1-08	
		2. Direct mail	Yes, effective 1-1-08.		P.C. 357, Sec. 15. P.C. 959, Sec. 1. Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70.) (All Repealed.) P.C. 602 Sec. 68. Eft. 1-1-08	
		3. Lease or rental	Yes, effective 1-1-08.		P.C. 357, Sec. 8. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed) P.C. 602 Sec. 60. Eft. 1-1-08 T.C.A. 67-6-102	
		4. Purchase price	Yes, effective 1-1-08.		P.C. 357, Sec. 15. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed.) P.C. 602 Sec. 68. Eft. 1-1-08 T.C.A. 67-6-102	
		5. Retail sale or Sale at retail	Yes, effective 1-1-08.		P.C. 357, Sec. 10. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed) P.C. 602 Sec. 62 Eft. 1-1-08. T.C.A. 67-6-102	
		6. Sales price	Yes, effective 1-1-08.		P.C. 357, Sec. 12. P.C. 959, Sec. 3. Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70.) P.C. 499 Sec. 68. Eft. 7-1-07 (All Repealed) P.C. 602 Sec. 64. Eft. 1-1-08. T.C.A. 67-6-102	

		7. Tangible personal property	Yes, effective 1-1-08.		P.C. 357, Sec. 14. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed) P.C. 602 Sec. 66. Eft. 1-1-08. T.C.A. 67-6-102	
Part II	**Product definitions**					
		CLOTHING				
		Clothing	Yes, effective 7-1-06.	T.C.A. 67-6-102(6)	P.C. 398 Sec. 2 Eft. 7/1/06	Public Chapter 398 enacts Tennessee's first Sales Tax Holiday and is effective 7/1/06 in T.C.A. 67-6-393. Agreement holiday definitions and clothing definitions were adopted effective 7/1/06 in T.C.A. 67-6-102 or 67-6-393.
		Clothing accessories or equipment	Yes, effective 7-1-06.	T.C.A. 67-6-102(7)	P.C. 398 Sec. 2 Eft. 7/1/06	
		Protective equipment	Yes, effective 7-1-06.	T.C.A. 67-6-102(50)	P.C. 398 Sec. 2 Eft. 7/1/06	
		Sport or recreational equipment	Yes, effective 7-1-06.	T.C.A. 67-6-102(62)	P.C. 398 Sec. 2 Eft. 7/1/06	
		COMPUTER RELATED				
		Computer	Yes, effective 1-1-08.		P.C. 357, Sec. 15. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed.) P.C. 602 Sec. 68. Eft. 1-1-08.	
		Computer software	Yes, effective 1-1-08.		P.C. 357, Sec. 15. P.C. 959 Sec. 61. Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70) (All Repealed) P.C. 602 Sec. 68, 86. Eft. 1-1-08. T.C.A. 67-6-102 & 67-6-231	
		Delivered electronically	Yes, effective 1-1-08.		P.C. 357, Sec. 15. P.C. 959, Sec. 61. Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70) (All Repealed) P.C. 602 Sec. 68 Eft. 1-1-08. T.C.A. 67-6-102 & 67-6-231	
		Electronic	Yes, effective 7-1-04.	T.C.A. 67-6-102(13)	P.C. 782 Sec. 3 Eft. 7-1-04.	
		Load and leave	N/A			

		Prewritten computer software	Yes, effective 1-1-08.		P.C. 357, Sec. 14. P.C. 959, Sec. 61. Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70) (All Repealed) P.C. 602 Sec. 68 Eft. 1-1-08. T.C.A. 67-6-102 & 67-6-231	
		FOOD AND FOOD PRODUCTS				
		Alcoholic Beverages	Yes, effective 1-1-08.		P.C. 357, Sec. 36. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed) P.C. 602 Sec. 68 Eft. 1-1-08. T.C.A. 67-6-102	
		Candy	Yes, effective 7-15-02.	T.C.A. 67-6-228(a)(3)(A)	2007 P.C. 602 Sec. 68, 83. Eft. 1-1-08. T.C.A. 67-6-102 & 67-6-228	2007 P.C. 602 Sec. 83 repeals and Sec. 68 replaces with the same language in the general definitions provisions T.C.A. 67-6-102 to apply to other sales and use tax statutes effective 1-1-08.
		Dietary supplement	Yes, effective 7-15-02.	T.C.A. 67-6-228(a)(3)(B)	2007 P.C. 602 Sec. 68, 83. Eft. 1-1-08. T.C.A. 67-6-102 & 67-6-228	2007 P.C. 602 Sec. 83 repeals and Sec. 68 replaces with the same language in the general definitions provisions T.C.A. 67-6-102 to apply to other sales and use tax statutes effective 1-1-08.
		Food and food ingredients	Yes, effective 7-15-02.	T.C.A. 67-6-228(b)(c)	2007 P.C. 602 Sec. 68, 83. Eft. 1-1-08. T.C.A. 67-6-102 & 67-6-228	2007 P.C. 602 Sec. 83 repeals and Sec. 68 replaces with the same language in the general definitions provisions T.C.A. 67-6-102 to apply to other sales and use tax statutes effective 1-1-08.
		Food sold through vending machines	N/A			
		Prepared food	Yes, effective 1-1-08.		2007 P.C. 602 Sec. 68, 83. Eft. 1-1-08. T.C.A. 67-6-102 & 67-6-228	2007 P.C. 602 Sec. 83 repeals and Sec. 68 replaces effective 1-1-08 with the amended SST definition of prepared food in the general definition provisions that will apply to other sales and use tax statues and includes the following language; "A plate does not include a container or packaging used to transport the food" and "and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the Food and Drug Administration in Chapter 3, Part 401.11 of its Food Code so as to prevent food borne illnesses".
		Soft drinks	N/A			

		Tobacco	Yes, effective 1-1-08.		P.C. 357, Sec. 36. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed) P.C. 602 Sec. 68. Eft. 1-1-08. T.C.A. 67-6-102	
		HEALTH-CARE				
		Drug	Yes, effective 1-1-08.		P.C. 357, Sec. 15. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed) P.C. 602 Sec. 68, 92. Eft. 1-1-08. T.C.A. 67-6-102 & 67-6-320	
		Durable medical equipment	Yes, effective 1-1-08.		P.C. 357, Sec. 36. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed) P.C. 602 Sec. 68, 89. Eft. 1-1-08 T.C.A. 67-6-102 & 67-6-314	
		Grooming and hygiene products	Yes, effective 1-1-08.		P.C. 959, Sec. 4, 13 Eft. 7-1-07. (See: P.C. 959, Sec. 70) (All Repealed) P.C. 602 Sec. 68, 89. Eft. 1-1-08. T.C.A. 67-6-102 & 67-6-314	
		Mobility enhancing equipment	Yes, effective 1-1-08.		P.C. 357, Sec. 36. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed) P.C. 602 Sec. 68, 89 Eft. 1-1-08 T.C.A. 67-6-102 & 67-6-314	
		Over-the-counter-drug	Yes, effective 1-1-08.		P.C. 959, Sec. 4, 13. Eft. 7-1-07. (See: P.C. 959, Sec. 70) (All Repealed) P.C. 602 Sec. 68, 92 Eft. 1-1-08 T.C.A. 67-6-102 & 67-6-320	

		Prescription	Yes, effective 1-1-08.		P.C. 357, Sec. 36. Eft. 7-1-07. (See: P.C. 959, Sec. 68) (All Repealed) P.C. 602 Sec. 68, 89, 92. Eft. 1-1-08 T.C.A. 67-6-102 & 67-6-314 & 67-6-320	
		Prosthetic device	Yes, effective 1-1-08.		PC. 357, Sec. 36. P.C. 959, Sec. 2. Eft. 7-1-07. (See: P.C. 959, Sec. 68, 70) (All Repealed) P.C. 602 Sec. 68, 89 Eft. 1-1-08 T.C.A. 67-6-102 & 67-6-314.	
Part III	**Sales Tax Holiday Definitions**					
		Eligible property	Yes, effective 7-1-06	T.C.A. 67-6-393(e)		
		Layaway sale	Yes, effective 7-1-06	T.C.A. 67-6-102(24) & 67-6-393(d)(1)		
		Rain check	Yes, effective 7-1-06	T.C.A. 67-6-102(33) & 67-6-393(d)(4)		
		School supply	Yes, effective 7-1-06	T.C.A. 67-6-102(41) & 67-6-393(a)(2)		
		School art supply	Yes, effective 7-1-06	T.C.A. 67-6-102(38)	P.C. 534 Sec. 1, 2. Eft. 6-27-07	Public Chapter 534 Sec. 1 - School art supplies are removed from the list of items that do not qualify for the sales tax holiday exemption and added to the list of items that do qualify for the sales tax holiday exemption effective 6-27-07. Change was effective for the next sales tax holiday August 3 - 5, 2007.
		School instructional material	Yes, effective 7-1-06	T.C.A. 67-6-102(40)		
		School computer supply	Yes, effective 7-1-06	T.C.A. 67-6-102(39)		

Notes:

The Certificate of Compliance was revised on January 2, 2004, to reflect amendments to the Agreement as approved by the Streamlined Sales Tax Implementing States on November 19, 2003. These include holiday procedures in Section 322 of the Agreement and the definition of delivery charges in Appendix C, Part 1, of the Agreement.

Certificate of Compliance Attestation

As the chief executive of the state's tax agency, I declare that this Certificate of Compliance is true, correct, and complete to the best of my knowledge and belief.

Signature

Commissioner of Revenue

Title

Tennessee

State

August 17, 2007

Date