

**STATE OF TENNESSEE**  
**OFFICE OF THE**  
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**NASHVILLE, TENNESSEE 37202**

August 26, 2004

Opinion No. 04-140

Sales Tax Exemption for Energy Fuels Sold Directly to Consumer for Residential Use

**QUESTION**

Is the sales tax exemption set forth in Tenn. Code Ann. § 67-6-334, providing for an exemption for energy fuels sold directly to a consumer for residential use, available to residents of a multiple-unit condominium building where the building's residential units are not separately metered?

**OPINION**

No. By its express terms, the sales tax exemption set forth in Tenn. Code Ann. § 67-6-334 is available to residents of multiple-unit dwellings, such as condominium and apartment buildings, only if the residents' units are separately metered or measured.

**ANALYSIS**

Tenn. Code Ann. § 67-6-334 creates a sales tax exemption for "energy fuels sold directly to the consumer for residential use." Tenn. Code Ann. § 67-6-334(a) (2003). The exemption is available to "single private residences, including the separate private units of apartment houses and other multiple dwellings, actually used for residential purposes, which are separately metered or measured." Tenn. Code Ann. § 67-6-334(b)(1) (2003). In accordance with these provisions, the sales tax exemption is available to residents of multiple-unit dwellings, such as condominium buildings and apartment buildings, but only if the residents' individual units are separately metered or measured.

Your opinion request refers to a multiple-unit condominium building that has only one meter to measure each of the energy fuels used by residents of the building. That is, the building has one meter that measures gas usage, one meter that measures electricity usage, and one meter that measures water consumption. Under these circumstances, the sales tax exemption set forth in Tenn. Code Ann. § 67-6-334 would not be available because the building's residential units are not separately metered as required by the statute.

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