



**STATE OF TENNESSEE  
DEPARTMENT OF REVENUE  
ANDREW JACKSON STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37242  
TENNESSEE CONSUMER USE TAX**

Tennessee, like other states that impose a sales tax, also taxes the use of property brought into the state untaxed when purchased. This "use" tax was enacted in 1947, the same year as the sales tax, to complement the sales tax by taxing merchandise purchased from out-of-state sources that do not collect the state's sales tax. The use tax protects local merchants, who must collect sales tax, from unfair competition from out-of-state sellers who do not collect Tennessee's sales tax.

If Tennessee sales tax is added to the price of your purchase, you do not owe use tax. However, if you buy merchandise through the internet, over the telephone, from mail-order catalogs, etc., and sales tax is not added to the price, then you are responsible for paying the use tax directly to the Department of Revenue. Also, if you travel outside the state and purchase untaxed merchandise that is shipped to your Tennessee home, you are liable for the use tax.

The use tax is a combination of the state tax rate of 7% (5.5% on food or food ingredients) plus the rate levied by your local government, generally 2.25%. (A local government rate chart is available.) The tax is applied to the purchase price of the merchandise plus any delivery or other charges that the merchant adds to your bill.

Effective January 1, 2009, the local use tax rate on purchases or downloads of digital videos, digital books, and digital music, as defined in Tenn. Code Ann. Section 67-6-102, is established at 2.50% regardless of the actual local tax rate in effect in the jurisdiction of the user and consumer.

The local rate is applicable on the first \$1,600 of the purchase price of any single article of tangible personal property. In addition, there is a state single article rate of 2.75% that is applicable to the purchase price amount of any single article purchased from \$1,600.01 to a maximum of \$3,200. Instructions for calculating the state and local sales tax on single article purchases are provided on the reverse side of the return below.

Depending on the frequency of purchases, consumers must file the use tax return and pay the taxes either monthly, quarterly, semiannually, or annually. The return is due on the 20th of the month following the close of the applicable period. For example, if you file an annual calendar year return, the return is due on January 20. If you file quarterly, returns are due on April 20, July 20, October 20, and January 20 of the following year. For your convenience, if you are reporting use tax on items, some of which are taxed at the 5.5% state rate and others that are taxed at the 7% state rate, you may wish to file a separate return for each state tax rate.

We urge you to voluntarily report your tax liability. A consumer use tax return is attached to this letter for your convenience. If you need additional assistance, please contact the Taxpayer and Vehicle Services Division at (800) 342-1003 or, in Nashville, at (615) 253-0600. The consumer use tax return and information about the use tax are also available on the department's web site: [www.TN.gov/revenue](http://www.TN.gov/revenue).

**SLS  
452**

TENNESSEE DEPARTMENT OF REVENUE  
TENNESSEE CONSUMER USE TAX RETURN

(Circle One) SSN or FEIN \_\_\_\_\_

Date of Purchase: \_\_\_\_\_  
Round to Nearest Whole Dollar

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

County of \_\_\_\_\_  
Residence: \_\_\_\_\_

Phone: \_\_\_\_\_  
Check one below:  
Purchase is for: an individual \_\_\_\_\_ a business \_\_\_\_\_

\_\_\_\_\_  
Taxpayer Signature Date

1. Total Purchase Price	\$	_____	00
2. State Use Tax*	\$	_____	00
3. Local Tax - Nondigital Items**	\$	_____	00
4. Local Tax - Digital Items**	\$	_____	00
5. State Single Article Tax***	\$	_____	00
6. Total tax Owed (total of Lines 2 through 5)	\$	_____	00

\*The use tax rate is the same as the sales tax rate.  
\*\*Local tax rate applies to the first \$1,600 of the cost of each item purchased; if local tax rate is unknown, see local rate chart. Local tax on digital purchases is 2.50% regardless of location of user.  
\*\*\*See example on back for single items over \$1,600.

---

Instructions for calculating sales and use tax on single item. If no tax was paid to the seller, calculate 7% of the purchase price for state tax plus the appropriate local tax and state single article tax. In addition, a state sales or use tax of 2.75% is levied on the amount of a single article in excess of \$1,600 and less than or equal to \$3,200. The first \$1,600 of the sales price will continue to be taxed at the appropriate local rate. The amount from \$1,600.01 to \$3,200 will be taxed at a uniform rate of 2.75%. In the example below, the purchaser had two purchases - one a single item of \$9,950; the other a digital item of \$50. The user's non-digital local tax rate is 2.25%. Round tax amounts to nearest dollar before reporting on front of return.

Example:	
1. Net Purchase Price	\$10,000.00
2. State Tax at 7%	\$700.00
3. Local Option - Non-digital (Tax assessed on first \$1,600)	\$36.00
4. Local Option - Digital Items (Local tax rate is 2.50%)	\$1.00
5. State Single Article on price of \$1,600.01 - \$3,200 at 2.75%	\$44.00
6. Total Tax Due on this Example	\$781.00