

## Sales/Use:

### Tennessee: New Law Allows Some Customers to File Sales Tax Refund Claims Directly with DOR

*S.B. 883*, signed by gov. 5/18/21. Effective October 1, 2021, new law eases the Tennessee sales tax refund process for some customers/purchasers by allowing them to file sales tax refund claims on taxes paid to (and collected by) dealers directly with the Tennessee Department of Revenue (Department) under certain circumstances, so long as the customers/purchasers first attempt to seek the refunds from the collecting dealers. In pursuing this kind of sales tax refund claim directly with the Department, the Department must have sufficient information reasonably available to verify that:

**URL:** <https://wapp.capitol.tn.gov/apps/BillInfo/Default.aspx?BillNumber=SB0883>

- The taxes at issue were remitted from the dealer to the Department;
- The dealer has not claimed a refund or taken a credit for such taxes;
- The local sales tax included in the refund was remitted; and
- The customer contacted the dealer in writing within 90 days of the statute of limitations for requesting such a refund, and the dealer failed or declined to issue the refund.

Under current law, “sales or use taxes which were collected from or passed on to customers by the taxpayer shall not be refunded, unless the taxpayer has refunded or credited the sales or use tax to its customers.” Please contact us with any questions.

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