

## Sales/Use:

### Tennessee: Online Platform Uninvolved with Payment Processing is Not a Marketplace Facilitator

*Letter Ruling No. 21-05*, Tenn. Dept. of Rev. (4/28/21). In a letter ruling involving an online platform that enables participating dealers to create an inventory listing and make business-to-business sales to certain customers, the Tennessee Department of Revenue (Department) held that, under the provided facts, the platform is *not* a “marketplace facilitator” under state law because it is *not* involved in collecting payments from customers and/or transmitting them to the dealers. Rather, the online platform’s role is limited to listing the dealers’ inventory information on the platform (*i.e.*, electronically displaying the dealers’ inventory) and confirming/communicating a preliminary order approval or rejection. According to the Department, this minimal role does *not* meet the definition of a marketplace facilitator under state law, and thus the online platform is *not* required to collect and remit Tennessee sales and use tax on sales made to Tennessee consumers that use the platform. Please contact us with any questions.

**URL:** <https://www.tn.gov/content/dam/tn/revenue/documents/rulings/sales/21-05.pdf>

— Doug Nagode (Atlanta)  
Managing Director  
Deloitte Tax LLP  
dnagode@deloitte.com

Joe Garrett (Birmingham)  
Managing Director  
Deloitte Tax LLP  
jogarrett@deloitte.com

Liudmila Wilhelm (Atlanta)  
Senior Manager  
Deloitte Tax LLP  
lwilhelm@deloitte.com

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