

Income/Franchise:

Tennessee: Updated Tax Manuals Reflect Recent Law Changes Including Single Sales Factor Adoption

Tax Manual Updates, Tenn. Dept. of Rev. (6/23). The Tennessee Department of Revenue updated several of its tax manuals to incorporate recent significant state tax law changes [see H.B. 323, signed by gov. 5/11/23, and recently issued Multistate Tax Alert (May 12, 2023) for more details on the Tennessee business tax and franchise and excise tax law changes, as well as recently issued Multistate Tax Alert (May 16, 2023) for details on Tennessee sales and use tax law changes relating to sourcing sales], including:

URL: https://www.tn.gov/content/dam/tn/revenue/documents/tax_manuals/june-2023/Tax-Manual-Updates.pdf

URL: <https://wapp.capitol.tn.gov/apps/BillInfo/Default.aspx?BillNumber=HB0323&GA=113>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-multistate-tax-alert-tennessee-enacts-several-changes-to-business-tax-and-franchise-and-excise-tax-laws.pdf>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-tennessee-enacts-changes-to-sales-and-use-tax-laws.pdf>

1. Phasing in single sales factor apportionment for Tennessee franchise and excise tax purposes;
2. Aligning Tennessee with the federal bonus depreciation provisions found in the federal Tax Cuts and Jobs Act of 2017 for Tennessee franchise and excise tax purposes;
3. Increasing the filing threshold for taxpayers subject to the Tennessee business tax from \$10,000 in gross receipts to \$100,000 in gross receipts; and
4. Adopting certain Streamlined Sales Tax Sourcing provisions for Tennessee sales and use tax purposes.

Please contact us with any questions.

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