

**INSTRUCTIONS FOR THE PREPARATION OF THE TENNESSEE SALES AND USE TAX RETURN FOR  
TV PROGRAMMING AND TELECOMMUNICATIONS SERVICES**

**(NOTE: These instructions apply to returns for periods beginning on or after July 1, 2011.)**

The due date for the TV Programming and Telecommunications Services return is the **20<sup>th</sup> of the month** following the end of the reporting period. Payment of the amount shown on **Line 22** is to be made to the Tennessee Department of Revenue, Andrew Jackson State Office Building, Nashville, Tennessee 37242.

**PAGE ONE INSTRUCTIONS**

- Line 1.** Enter all TV programming sales. Include cash sales, credit sales, conditional sales, and sales exempt from tax. Exclude the amount of sales tax collected or accrued.
- Line 2.** Enter all telecommunications sales. Include cash sales, credit sales, conditional sales, and sales exempt from tax. Exclude the amount of sales tax collected or accrued.
- Line 3.** Enter all sales including exempt sales for sales, leases, or rentals of tangible personal property, and all sales of taxable services including ancillary services. Do not include TV programming and telecommunication services reported on Line 1 and Line 2.
- Line 4.** Enter the cost of tangible personal property that was purchased from a dealer in Tennessee, without the payment of sales tax, and that was not resold and tangible personal property imported from out-of-state for use and consumption by your business in this state. Do not enter the cost of items remaining in inventory for resale.
- Line 5.** Add **Lines** 1, 2, 3, and 4.
- Line 6.** Enter the total amount from Page 2, Schedule A, **Line** A9. Exemptions may be disallowed if not detailed as indicated in the appropriate category in Schedule A. (See instructions for Schedule A.)
- Line 7.** Subtract **Line** 6 from **Line** 5.
- Line 8.** Enter taxable fees in the amount of \$15.01 up to and including \$27.50 charged to each subscriber for TV programs sold by a qualified cable or wireless cable television programming provider.
- Line 9.** Enter total taxable sales of TV programming services sold by a direct-to-home satellite service provider.
- Line 10.** Add Lines 8 and 9 and multiply the total by 8.25%. Enter the total.
- Line 11.** Enter total taxable sales to businesses of international and interstate telecommunications services (defined as telecommunications that originate or are received in Tennessee and are received or originate either outside the United States and its territories or in a state other than Tennessee.
- Line 12.** Multiply Line 11 by 7.5% and enter total.
- Line 13.** Subtract Lines 8, 9, and 11 from Line 7, then multiply the result by 7% and enter here.
- Line 14.** Enter the single article amount from Schedule C, Line 2.
- Line 15.** Enter the total amount from Page 2, Schedule B, Line B13. Schedule B must be completed.
- Line 16.** Enter any tax collected in excess of state and local taxes shown on Lines 10, 12, 13, and 14.
- Line 17.** Add Lines 10, 12, 13, 14, 15, and 16. Enter the total.
- Line 18.** If your account has a credit balance from an overpayment on a prior return, enter the amount on this line and deduct from Line 17.
- Line 19.** When the return is late at the time of filing, enter 5% of **Line** 17 for 1-30 days late, 10% for 31-60 days late, and so on until a maximum of 25% of **Line** 17 is reached for returns that are more than 120 days late. When a credit balance is shown on a return that is late at the time of filing, first deduct **Line** 18 from **Line** 17 and calculate the penalty charges on the net amount after the credit deduction. For example, if **Line** 17 were \$500 and **Line** 18 were \$100, the penalty would be calculated on \$400. The minimum penalty is \$15, even when the return reflects no tax due but is late filed.
- Line 20.** Interest is figured at the rate indicated per year on the amount of tax due from **Line** 17 (or on the net of **Line** 18 from **Line** 17 when a credit is present) from the due date of the return until the late filed return is postmarked.
- Line 21.** Multiply the number of transactions made by fifty-three cents. Subtract the 3% administrative fee. Enter the result.
- Line 22. TOTAL DUE.** When the return is **timely filed**, deduct **Line** 18 from **Line** 17 and add Line 21. On **late filed returns**, deduct Line 18 from Line 17, and add amounts calculated on **Lines** 19, 20, and 21.

*For additional information, contact the Taxpayer Services Division in one of our Department of Revenue offices:*

<b>Nashville</b>	<b>Chattanooga</b>	<b>Knoxville</b>	<b>Jackson</b>	<b>Memphis</b>	<b>Johnson City</b>
(615) 253-0600	(423) 634-6266	(865) 594-6100	(731) 423-5747	(901) 213-1400	(423)854-5321
Andrew Jackson Building	Suite 350	Suite 209	Suite 340	3150 Appling Road	204 High Point Dr.
500 Deaderick Street	State Office Building	7175 Strawberry	Lowell Thomas Building	Bartlett, TN 38133	Johnson City, TN 37601
Nashville, TN 37242	540 McCallie Avenue	Plains Pike	225 MLK Jr. Blvd.		
	Chattanooga, TN 37402	Knoxville, TN 37914	Jackson, TN 38301		

Tennessee residents can also call our statewide toll free number at **(800)342-1003**. Out-of-state callers must dial **(615) 253-0600**.  
Detailed instructions, tax guides, and notices are available at our website, [www.tn.gov/revenue](http://www.tn.gov/revenue).

### SCHEDULE A – EXEMPT TRANSACTIONS

The law provides for the deduction from gross sales and purchases those items specifically exempt from tax. Schedule A is used to identify these items. Any amount claimed as an exemption on Page 1, **Line 6** must be itemized on this schedule.

- Line A1.** Include all sales made to vendors or other establishments for resale or for rental or lease. These transactions must be supported by valid certificates of resale that must be retained in your files.
- Line A2.** Enter all sales to the federal government, the state of Tennessee and its political subdivisions, and sales to qualified institutions such as churches, nonprofit schools, hospitals, home for the aged, and orphanages, including sales of private communications services to qualified purchasers. These transactions must be supported by proper exemption certificates that must be retained in your files.
- Line A3.** Include only taxable tangible personal property voluntarily returned by the purchaser and that has been included in Gross Sales on this or a previous return and for which full credit is given to the purchaser. Do not include repossessions.
- Line A4.** Deduct only those sales of tangible personal property originating in Tennessee where the purchaser takes possession outside Tennessee for use or consumption outside the state.
- Line A5.** Enter total sales of international and interstate telecommunications to qualified call centers. These transactions must be supported by proper exemption certificates that must be retained in your files.
- Line A6.** Enter fees in the amount of \$15 or less charged to each subscriber of TV programming sold by a qualified cable or wireless cable television provider. Do not include charges to subscribers that have been deducted on Line A2. The \$15 minimum exemption does not apply to sales of TV programming by a direct-to-home satellite service provider.
- Line A7.** Enter that portion of the unpaid principal balances due on tangible personal property repossessed from the customer in excess of \$500. (See Instructions for Schedule B, Lines B2 and B10.)
- Line A8.** Any other deductions allowed by law must be explained here. Dealers must retain documentation.
- Line A9.** Add the amounts appearing on Lines A1 through A8 and enter on this line. The total must also be entered on Page 1, Line 6 of the return.

### SCHEDULE B – COMPUTATION OF LOCAL SALES AND USE TAX

Use this schedule to calculate the amount of local sales or use tax due. Schedule B **must** be completed.

- Line B1.** Enter net taxable sales from Page 1, **Line 7**.
- Line B2.** From Schedule A, Lines A3 and A7, enter the portion of the amount listed that was not subject to local tax on a prior return.
- Line B3.** Enter the total of Lines 8, 9, and 11 from Page 1.
- Line B4.** Add Lines B1 and B2 and subtract Line B3. Enter the total.
- Line B5.** Enter the total of international and interstate telecommunication services that are subject to the 1.5% local tax rate. Amounts subject to the 7.5% tax rate included on Page 1, Line 11 should not be included here.
- Line B6.** Multiply Line B5 by 1.5% and enter total.
- Line B7.** Enter total of intrastate telecommunications and ancillary services that are subject to a 2.5% local tax rate. Do not include amounts of sales of TV programming, interstate telecommunication services, or sales of tangible personal property.
- Line B8.** Multiply Line B7 by 2.5% and enter total.
- Line B9.** Enter the total of amounts in excess of the maximum local tax base on each single article sold that have not been deducted elsewhere. Also, enter any amounts in excess of the maximum local tax base per single article purchased and reported for use tax on this return.
- Line B10.** Enter any other amount of qualified local tax deductions not reported elsewhere on Schedule B of this return. Include taxable sales of specified digital products subject to 2.50% local tax rate. A deduction may be taken on this line to receive credit of a portion of the local option tax previously paid on repossessed tangible personal property. Dealers must keep documentation to explain deductions.
- Line B11.** Add Lines B5, B7, B9, and B10 and subtract from Line B4. Enter the total here.
- Line B12.** Enter the total local tax amount due for Line B11. This local tax amount must be calculated using the appropriate local rate(s) designated for each location.
- Line B13.** Add Lines B6, B8, and B12. Enter the total here and on Page 1, Line 15 of this return.

### SCHEDULE C – STATE SINGLE ARTICLE TAX AND SPECIFIED DIGITAL PRODUCTS

- Line C1.** Enter the total sales from \$1,601 through \$3,200 on the sales price of all single articles sold.
- Line C2.** Multiply the amount on Schedule C, **Line 1** by 2.75% (.0275) and enter the result on Schedule C, Line 2.
- Line C3.** Specified digital products local tax rate – Include on the blank line the amount of taxable sales of specialized digital products. Multiply the taxable sales amount by 2.50% and enter the local tax amount on Schedule C, Line 3. **Add totals on Schedule C, Line 2 and Schedule C, Line 3 and enter on Page 1, Line 14.**