



**TENNESSEE DEPARTMENT OF REVENUE
PROFESSIONAL PRIVILEGE TAX RETURN - PROFESSIONAL ATHLETES**

**PRO
420**

Filing Period		ACCOUNT NO.	FEIN
Due Date	June 1, 2_____	LOCATION ADDRESS	If this is an AMENDED RETURN, please check the box at right } <input type="checkbox"/>

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Returns must be postmarked by the due date to avoid the assessment of penalty and interest.

Make your check payable to the Tennessee Department of Revenue for the amount on Line 9 and mail to:

Tennessee Department of Revenue
Andrew Jackson State Office Bldg.
500 Deaderick Street
Nashville, TN 37242

Should you need assistance, please contact the Taxpayer and Vehicle Services Division by calling our statewide number at **1-800-342-1003** or **(615) 253-0600**.

You may also visit our web site at www.TN.gov/revenue or e-mail professionpriv.help@tn.gov.

Reminders

- (1) Please read instructions on the back before preparing this return.
- (2) Sign and date the return in the signature box below.
- (3) Attach a roster of players grouped by number of games played in Tennessee during the period. Maintain records to support the numbers reported on this return.

ROUND TO THE NEAREST DOLLAR
WRITE NUMBERS LIKE THIS



1. Number of players on team roster for only one game in Tennessee during the tax reporting period..... x 1..... (1)
2. Number of players on team roster for only two games in Tennessee during the tax reporting period..... x 2 (2)
3. Number of players on team roster for three or more games in Tennessee during the tax reporting period..... x 3..... (3)
4. Total number of game days in Tennessee during the reporting period (Add Lines 1, 2, and 3; enter here)..... (4)
5. Total professional tax due (Multiply Line 4 x \$2,500)..... (5)
6. Credit reported on previous Department of Revenue credit notice(s)..... (6)
7. PENALTY (See instructions)..... (7)
8. INTEREST % (See instructions)..... (8)
9. Total Amount Due (Add Lines 5, 7, and 8; subtract Line 6)..... (9)

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**FOR OFFICE
USE ONLY**

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I declare this is a true, complete, and accurate return to the best of my knowledge.

SIGN HERE	Principal Officer or Team Representative	Date
SIGN HERE	Tax Return Preparer and Title	Date

PROFESSIONAL PRIVILEGE TAX - PROFESSIONAL ATHLETES RETURN

General: The professional privilege tax for professional athletes is \$2,500 per game up to a maximum of three regular season games played in Tennessee during the tax year. The tax is levied on players employed by the parent club for more than ten days during the tax year and who are on the parent club's active roster and eligible to participate in any game played in Tennessee during the tax year, irrespective of whether the player actually participated in the game. **Do not report any player for more than three games during the tax year.**

Players on minor league contracts or "two way" contracts are not subject to the tax unless they are on the parent club's active roster for more than ten days during the tax year.

Rosters must be maintained and provided with the return when filed that indicate which players were on the active roster and for how many games. The amount of tax paid must agree with the number of game days (number of players times the number of games for each player) reported on the tax return.

Filing Returns: A return may be filed and tax payment made on an annual basis, reporting all players who played up to three games during the tax year. However, organizations making payments for athletes may prefer to file returns and make payments following each individual game played in Tennessee or at the end of each month in which a game was played in Tennessee. Each time a return is filed, the "Filing Period" block must be completed to report the tax period beginning date and ending date.

For individual game returns, the filing period will be the day of the game. For example: "October 27, 2009."

For monthly filed returns, the filing period will be the inclusive dates of that month. For example: "November 1 - 30, 2009."

For annual returns, the filing period will be the statutory tax year. For example: "June 1, 2009 - May 31, 2010."

A copy of the return must be filed with each payment made, reporting any players for whom tax is due since the last filed return.

The tax year begins on June 1 each year and ends on May 31 of the following year. **All tax returns for games played during a specific tax year must be filed no later than June 1 following the end of each tax year in which tax is due.**

INSTRUCTIONS FOR COMPLETION

Line 1: Determine the number of players on the team's active roster for only one game played in Tennessee during the tax filing period. Multiply the number of players times 1 and enter the result.

Line 2: Determine the number of players on the team's active roster for only two games played in Tennessee during the tax filing period. Multiply that number times 2 and enter the result.

Line 3: Determine the number of players on the team's active roster for three or more games played in Tennessee during the tax filing period. Multiply that number times 3 and enter the result.

Line 4: Determine the number of game days for which the professional privilege tax is due by adding the results in Lines 1, 2, and 3. Enter the total number of game days.

Line 5: Calculate the professional privilege tax amount due by multiplying Line 4 by \$2,500. Enter the result here.

Line 6: Enter any available credit amounts reported to you on Department of Revenue notices.

Line 7: If the return is filed or payment is made after the due date reflected on the return, compute the amount of penalty due for the number of days delinquent. Penalty is computed as follows: 1 - 30 days = 5%; 31 - 60 days = 10%; 61 - 90 days = 15%; 91 - 120 days = 20%; 121 days and over = 25%. The maximum penalty amount is 25%. The minimum penalty amount is \$15, even if no tax is due.

Line 8: If the payment is made after the due date reflected on the return, compute the amount of interest due. Interest is computed using the following formula: (Line 5 minus Line 6) x (current interest rate) x (number of days delinquent) / (365.25).

Line 9: Calculate the total amount of remittance due with the return. Add Lines 5, 7, and 8; subtract Line 6.

Taxpayer's or Tax Preparer's Signature: A principal officer or other team representative must sign and date the return. If a tax preparer prepares the return for the taxpayer, the preparer must also sign and date the return.

Filing Information: Make payment payable to the Tennessee Department of Revenue for the amount shown on Line 9 of the return. Mail the return with the payment and any attachments to: Tennessee Department of Revenue, Andrew Jackson State Office Building, 500 Deaderick Street, Nashville, Tennessee 37242. Payment of the tax by Electronic Funds Transfer (EFT) does not relieve you from filing a timely return.