

Additional Entity Filing Requirements:

TENNESSEE

Business Tax

The business tax is a privilege tax on the privilege of doing business by making sales of tangible personal property and services within Tennessee and its local jurisdictions. While anyone doing business in the state is subject to the state-level business tax, unless specifically exempt, each municipality must adopt the tax to impose it within its city limits. The business tax applies to a taxpayer's gross sales. Taxpayers multiply the gross sales derived from taxable sales per location by the appropriate state and local tax rates to calculate the amount of tax owed per location. There are several different business tax rates. The rates are determined based on the taxpayer's "dominant business activity."

Learn more about how to comply with the Business Tax requirement here:

tn.gov/content/tn/revenue/taxes/business-tax.html

Franchise & Excise Tax

The Franchise Tax is based on the greater net worth or the book value of real or tangible personal property owned or used in Tennessee. The minimum franchise tax of \$100 is payable if you are incorporated, domesticated, qualified, or otherwise registered through the Secretary of State to do business in Tennessee, regardless of whether the company is active or inactive.

The Excise Tax is based on net earnings or income for the tax year. Individuals with LLCs registered to do business in Tennessee must register and pay for Franchise & Excise Taxes. You will also need to file the Franchise Tax & Excise Tax reports for the assigned period, either quarterly or annually. Your filing frequency will be assigned to your business post registration.

Getting Started

To register for any of the above tax types with the Department of Revenue, please visit the [Tennessee Department of Revenue website](https://www.tn.gov/content/tn/revenue/index.html) and create a TNTAP account using this [step-by-step instruction video](#).

Should you have any questions regarding account creation or registration, please call TN-Department of Revenue at 615-253-0600 or 1-800-342-1003.