



MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF REVENUE

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BUSINESS TAX ADMINISTRATION SHIFTS TO DEPARTMENT OF REVENUE

STATE / LOCAL GOVERNMENTS FORM PARTNERSHIP TO IMPROVE COMPLIANCE,
INCREASE REVENUE AND SIMPLIFY TAX PROCESS FOR BUSINESS OWNERS

NASHVILLE – This past legislative session, the 106th General Assembly enacted Public Chapter 530, shifting the administration and collection of business tax from local municipalities and counties to the Department of Revenue. With this change, the Department of Revenue will use its resources and experience in tax administration to collect the business tax, resulting in greater efficiency in the collection process and increased revenue for the State and for local governments.

“This undertaking is a true partnership between state and the local governments,” said Commissioner Reagan Farr. “While increasing revenue through improved tax compliance, we also plan on simplifying the tax process for business owners including developing a new, simplified tax return and initiating major education programs.”

Beginning with Classification 1 taxpayers, due Feb. 28, 2010, all business tax returns will now be filed with the Tennessee Department of Revenue. Businesses will continue to obtain business licenses from the county clerks and/or municipal officials.

The Department of Revenue is working closely with local municipalities and counties to make this transition a smooth process. The department is currently gathering registration data from the counties and cities to register the business owners and mail out tax returns by the end of 2009. More information is available at the Department of Revenue’s Web site www.TN.gov/revenue.

The Department of Revenue is responsible for the administration of state tax laws and motor vehicle title and registration laws established by the legislature and the collection of taxes and fees associated with those laws. The Department of Revenue collects approximately 92 percent of total state tax revenue. During the 2008-2009 fiscal year, the department collected \$10.2 billion in state taxes and fees. In addition to collecting state taxes, \$1.9 billion of local sales tax was collected by the department for local governments during the 2008-2009 fiscal year. Besides collecting taxes, the department enforces the revenue laws fairly and impartially in an effort to encourage voluntary taxpayer compliance. The department also apportions revenue collections for distribution to the various state funds and local units of government. To learn more about the department, log on to www.TN.gov/revenue.

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