



TAXPAYER EDUCATION & OUTREACH

STATE OF TENNESSEE

TGFOA 2026 - Business Tax and Licensing Updates

October 2026

Revenue's Role with Businesses

We interact with businesses at virtually every stage — **and education and outreach are available before a business ever opens.**



Education



Registration



Filing



Payment



Compliance



Questions



Audits



Closures

Throughout the life of the business



For local governments: registration and filing activity for your jurisdiction shows up in the Revenue External Portal's business tax reports.

Taxpayer Education & Outreach

From our own employees to local governments and businesses, everyone has access to the training and information needed to carry out business tax and licensing.



Taxpayer Education

Training for businesses, local officials, and Revenue staff



Webinars & Workshops

Webinars and New Business Workshops for new businesses



Tax Guidance & Publications

Written guidance on business tax and licensing rules



Taxpayer Communications

Ongoing improvements in how we communicate with taxpayers

The Many Sides of Business Tax



Businesses entering Tennessee's tax system from out of state



State vs. local business tax responsibilities



Tracking minimal activity vs. standard licenses in our systems



Enforcing filing responsibilities



Registration responsibilities



Making sure every business is properly licensed



Proactively resolving common areas of taxpayer confusion



The goal: every business obtains the correct license and remits the tax.

State & Local: Working Together

Business tax is unique: we share responsibility for it with counties and cities.



County & City Clerks

- Issue business licenses for their jurisdiction
- Minimal activity licenses: \$15 per year
- Standard licenses: \$100,000+ per jurisdiction



Department of Revenue

- Registers businesses for business tax
- Processes returns and payments in TNTAP
- Confirms businesses filed, paid, and registered with the correct classification



Together: making sure every business is licensed correctly and filing.

Key Dates for Business Tax

We are here: October 2026

2009

Transfer of Administration

State-level administration moved from local governments to the Department

2013

Minimal Activity

Threshold raised to \$10,000; out-of-state sourcing rules clarified

2020

COVID Relief

Due dates extended for filing and paying business tax

2023

Tennessee Works Tax Act

Filing threshold raised to \$100,000 per jurisdiction

2025

Pub. Ch. 355

Admin fee on business tax cut from 1.125% to 0.75%

2026 Legislative Update



No new business tax legislation in 2026

The Department's 2026 legislative summaries include no business tax changes.

Still taking effect



Pub. Ch. 377 (2023) • Works Tax Act

\$100,000 filing threshold per jurisdiction for tax years ending on or after Dec. 31, 2023.



Pub. Ch. 355 (2025) • Administration Fee

Fee on business tax cut from 1.125% to 0.75% on July 1, 2025. FY2026 was the first full year.

Minimal & Standard Licenses Recap

Less than \$3,000

No License Required

- Optional: may buy a \$15 minimal activity license
- No business tax return

More than \$3,000 but less than \$100,000

Minimal Activity License

- \$15, renewed annually with the county and/or city clerk
- No business tax registration or return
- Not issued by the Department

\$100,000 or more

Standard Business License

- License from the county and/or city for each location
- Register with the Department
- File and pay an annual business tax return



Thresholds apply per jurisdiction: locations in the same city or county combine receipts (\$55,000 + \$50,000 = \$105,000, so the business files).

Administration Fee Reduction Recap

1.125%

Before July 1, 2025



0.75%

July 1, 2025 and after

FY2026: First Full Year

Estimated back to local governments

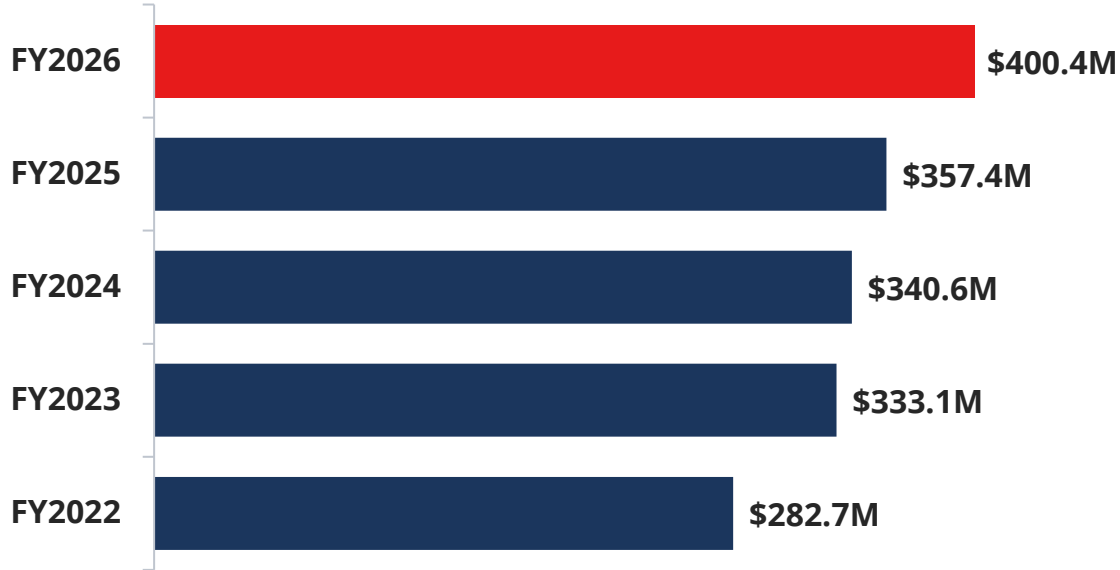
\$18M+

Pub. Ch. 355 (2025) reduced the Department's fee on:

- Business tax
- Local option sales tax
- Local occupancy tax on short-term rentals
- Coal severance tax and local tax surcharges

State Business Tax Collections

Data from TN.GOV/REVENUE section: State Tax Breakdown by Tax



\$400.4M

FY2026 collections

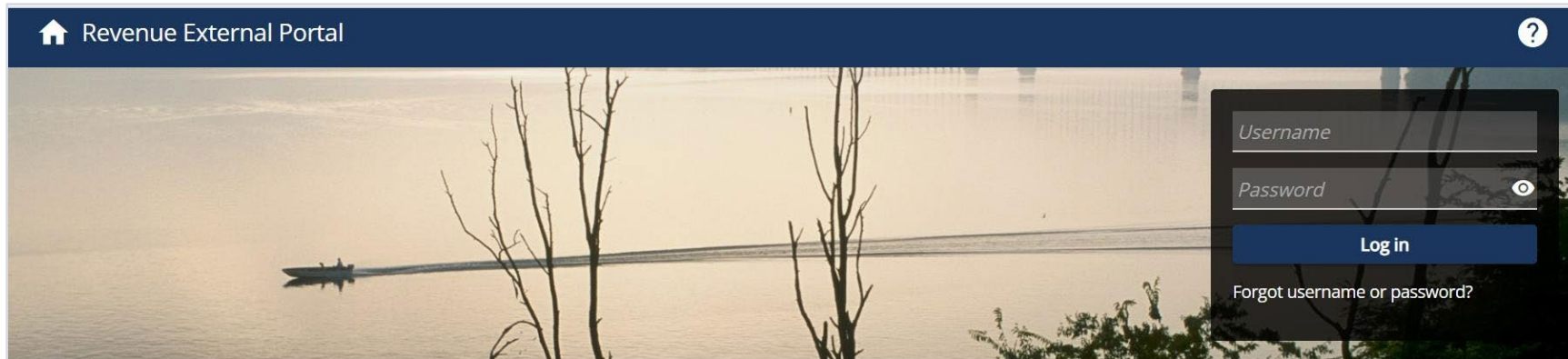
+12.0%

Growth from FY2025

+41.6%

Growth since FY2022

Revenue External Portal



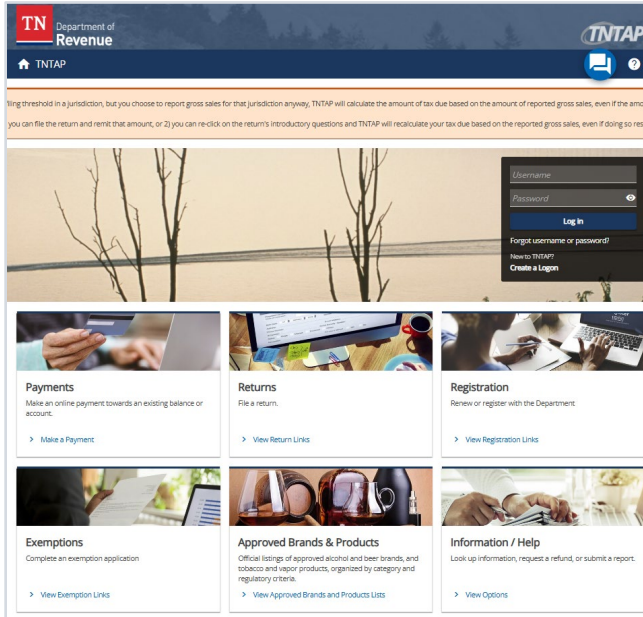
The revenue external portal provides simple or detailed business tax line-item and taxpayer-by-situs reports that give local governments clear financial and registration information from filed business tax returns.



Questions?

Local government portal users:
Revenue.FinancialControl@tn.gov

TNTAP for Businesses



Standard license holders use TNTAP to:



Register for business tax



File the annual business tax return



Make business tax payments

Out-of-state businesses (other than contractors) with Tennessee nexus register with the Department and remit on \$100,000+ in any county — no county license needed.

Resources & Contacts



Business Tax Portal Questions

Revenue.FinancialControl@tn.gov

Financial Control



Local Government Resources

tn.gov/revenue

See the Local Governments section



Business Tax Filing & Help

TNTAP: **tntap.tn.gov**

Help: **revenue.support.tn.gov**



Taxpayer Services

General Call Center: 615-253-0600

General Registration: 615-253-0601

Franchise & Excise: 615-253-0700

Questions





THANK YOU