

Taxes & Business Costs

The Highlights

- There are no personal income taxes on wages and salaries in Tennessee.
- The state Corporate Income Tax rate in Tennessee is 6.5%.
- According to *The Tax Foundation*, Tennessee has the lowest state debt per capita in the country, meaning we will have sustainable, low taxes for the foreseeable future.
- Southern Business and Development Magazine named Tennessee the 2016 State of the Year for Economic Development based on its project totals and the variety of the industry sectors that invested in the state and created jobs. - See more at: <http://www.tnecd.com/media/awards/#sthash.oWuIjLBh.dpuf>

State Taxes

Tax	Rate
Sales Tax	<p>7.0% (added to local option sales tax, so total sales tax in Sullivan Co. is 7.0% + 2.25% = 9.25%)</p> <p><i>*Exemptions include items bought for resale and manufacturers' exemption for materials that become a component part of the finished product, containers, labeling and packaging; and materials coming into direct contact with the product and consumed in the manufacturing process.</i></p>
Property Tax	None
Corporate Excise Tax	6.5% on net income from business conducted in Tennessee
Franchise Tax	<p>Equity Method: \$0.25 per \$100, or major fraction thereof, of the issued and outstanding capital stock, surplus and undivided profits; minimum \$100</p>

<p>Book Value Method: \$0.25 per \$100 on book value of all real and tangible goods owned or used by the corporation in Tennessee. Same rate applies to finished goods inventory for distribution facilities, but caps at \$30 million</p>	
<p>Unemployment Compensation Tax</p>	<p>Varies: 0.01% to 10% of first \$9,000 of wages paid to each employee in calendar year depending on quoted rate *New employers: 2.7% other than construction, manufacturing and mining (applies for the first 4 years before moving to an experience-based rate)</p>
<p>Inventory Tax</p>	<p>None on finished goods inventory</p>
<p>Personal Income Tax</p>	<p>No income tax on wages</p>
<p>Hall Income Tax</p>	<p>Taxable dividend and interest incomes are taxed at the rate of 6%. The first \$1,250 on an individual return and the first \$2,500 on a joint return are not taxed. Any person 65 years of age or older having a total annual income derived from any and all sources of \$26,200 or less, or \$37,000 or less for joint filers are completely exempt from the tax.</p>

Local Taxes

Property Tax Rate (Residential is Taxed at 25% of Assessed Value, Commercial and Industrial are Taxed at 40% of Assessed Value).

<p>County</p>	<p>City</p>	<p>School Dist./Fire Dist. Special</p>	<p>Rates</p>
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County	City	SSD/Fire	Total			
Marshall			\$2.8100			\$2.8100
Marshall	Lewisburg		\$2.8100	\$1.6900		\$4.5000

Unemployment Tax Rate

- The Tennessee unemployment rate for new employers is 2.7% on the first \$9,000 of wages.

Workers Compensation

[Click here to read more information on Tennessee's Workers Compensation Reform](#)