

Tennessee Sales Tax Info Sheet

SalesTaxHandbook.com Info Sheets - The Comprehensive Sales Tax Resource

State Sales Tax

Local Sales Tax

Tennessee has a statewide sales tax rate of **7%**, which was introduced in 1947. This data sheet was last updated in February 2024 by SalesTaxHandbook.com.

What is exempt from sales taxes in Tennessee?

Many states have special sales tax rates that apply to the purchase of certain types of goods, or fully exempt them from the sales tax altogether. Here's how Tennessee taxes five types of commonly-exempted goods:

Clothing



Groceries



Prepared Food



Prescription Drugs



OTC Drugs



Are services subject to sales tax in Tennessee?

"Goods" refers to the sale of tangible personal property, which are generally taxable. "Services" refers to the sale of labor or non-tangibles. In Tennessee, specified services are taxable. To learn more, see salestaxhandbook.com/tennessee/sales-tax-taxability#services.

Local Sales Taxes in Tennessee

Municipal governments in Tennessee are also allowed to collect a **local-option sales tax** that ranges from 1.5% to 2.75% across the state, with an average local tax of 2.617% (for a total of 9.617% when combined with the state sales tax). The maximum local tax rate allowed by Tennessee law is 2.75%. Below are listed local sales tax rates for the five largest cities in Tennessee. You can find other Tennessee city and county sales tax rates at salestaxhandbook.com/tennessee/rates.

City Name	State Rate	County Rate	City Rate	Special Rate	Combined Rate
* Memphis, TN	7%	2.25%	0.5%	N/A	9.75%
* Nashville, TN	7%	2.25%	N/A	N/A	9.25%
* Knoxville, TN	7%	2.25%	N/A	N/A	9.25%
* Chattanooga, TN	7%	2.25%	N/A	N/A	9.25%
* Murfreesboro, TN	7%	2.75%	N/A	N/A	9.75%

To learn more, visit the Tennessee Sales Tax Handbook at SalesTaxHandbook.com/Tennessee