

## FLOOD RELIEF REFUND (revised)

Notice #10-01

Sales and Use Tax

JUNE 2010



## Highlights

- *Qualified individuals may file a claim for refund for sales tax paid to replace damaged or destroyed items.*
- *Individuals must demonstrate that they received assistance from FEMA.*

**INTRODUCTION**

This notice is intended to provide taxpayers and the general public with information concerning relief available to individuals affected by the flooding and severe storms that occurred in Tennessee between May 1, 2010, and May 8, 2010.

Qualified individuals may file one (1) claim for refund for sales tax paid on major appliances and residential furniture purchased to replace damaged or destroyed items used in the individual's primary residence, and for sales tax paid on the purchase of residential building supplies used for the purposes of restoration, repair, replacement, or rebuilding the individual's primary residence due to the disaster occurring in May 2010. The maximum amount of refund available to any one residence is \$2,500.

**DISCUSSION**

Individuals receiving disaster assistance from the Federal Emergency Management Agency (FEMA) as a result of the flooding and severe storms that occurred in Tennessee between May 1, 2010 and May 8, 2010, may request a refund of Tennessee sales tax paid on certain items purchased to replace damaged or destroyed items. Individuals will be asked to provide documentation verifying the assistance they received from FEMA.

Eligible items purchased by a contractor to use when making repairs to the individual's home are eligible for refund to the individual. The contractor must provide to the individual an invoice listing the items they purchased and the amount of Tennessee sales tax paid on those purchases.

Below are the steps for claiming a refund of sales tax paid on eligible items purchased between May 1, 2010 and September 30, 2010. The claim for refund must be filed no later than November 30, 2010. Only one (1) claim per primary residence may be filed.

**Step 1.** Gather the following items:

- Natural Disaster Claim for Refund form – available at [www.tn.gov/revenue](http://www.tn.gov/revenue)
- Copy of your FEMA decision letter stating that you received disaster assistance. (You should retain the original letter.)
- Copies of receipts (including contractor invoices, if applicable) showing payment of Tennessee sales tax on eligible items\*
- Copies of other payment documents – (if store receipts are not available)

**Step 2.** Complete the Natural Disaster Claim for Refund form, making sure that all lines are completed and legible. Attach additional schedules as necessary. The maximum amount of refund per residence is \$2,500.

**Step 3.** Attach to the claim for refund form (1) a copy of your FEMA decision letter, and 2) copies of receipts from eligible purchases showing payment of Tennessee sales tax and/or copies of other proof of payment.

**Step 4.** Mail the completed form and attachments to:

ATTN: Disaster Relief Claim  
Tennessee Department of Revenue  
Andrew Jackson State Office Building, 4<sup>th</sup> Floor  
Nashville, TN 37242

**References**

SB231/HB228  
(2010)

*The Department of Revenue may assess a civil penalty up to \$25,000 against any person that knowingly files a false or fraudulent claim for refund.*

**\*Below are examples of items eligible for refund of Tennessee sales tax paid**

**Major appliances purchased to replace appliances damaged or destroyed with a purchase price of \$3,200 or less per item**

Dishwasher	Microwave	Stove
Dryer	Oven	Vacuum
Fan	Range	Washer
Freezer	Refrigerator	Water heater

➤ Major appliances eligible for sales tax refund.

**Residential furniture purchased to replace furniture damaged or destroyed with a purchase price of \$3,200 or less per item**

Bedroom suits	Lamps	Dining set
Book shelves	Desks	Sofa
Entertainment cabinet	Chairs	Tables

➤ Residential furniture eligible for sales tax refund.

**Televisions, DVD players, computers, stereos, and other electronic items are not considered residential furniture.**

**Residential building supplies used to restore, repair, replace, or rebuild with a purchase price of \$500 or less per item**

Boxes	Insulation
Trash bags	Paint
Drywall	Sheetrock
Construction tools <ul style="list-style-type: none"> <li>▪ Air compressor</li> <li>▪ Bits and blades</li> <li>▪ Drills</li> <li>▪ Level</li> <li>▪ Nail gun</li> <li>▪ Pliers</li> <li>▪ Sanders</li> <li>▪ Jig saw</li> <li>▪ Circular saws</li> <li>▪ Reciprocating saw</li> </ul>	<ul style="list-style-type: none"> <li>▪ Chisels</li> <li>▪ Hammer</li> <li>▪ Ladders</li> <li>▪ Miter saw</li> <li>▪ Pry bar</li> <li>▪ Screwdriver</li> <li>▪ Square</li> <li>▪ Wrenches</li> <li>▪ Hand saw</li> </ul>
Flooring ( <i>\$500 limit is applied to the per unit price of the product</i> ) <ul style="list-style-type: none"> <li>▪ Area rug</li> <li>▪ Carpet</li> <li>▪ Tile</li> <li>▪ Linoleum</li> </ul>	<ul style="list-style-type: none"> <li>▪ Drop cloths</li> <li>▪ Paint guide</li> <li>▪ Putty knife</li> <li>▪ Roller tray and grid</li> <li>▪ Scraper</li> </ul>
Hardware <ul style="list-style-type: none"> <li>▪ Bolts</li> <li>▪ Cabinet pulls</li> <li>▪ Door knobs</li> <li>▪ Hinges</li> <li>▪ Nails</li> <li>▪ Screws</li> <li>▪ Staples</li> </ul>	<ul style="list-style-type: none"> <li>▪ Doors</li> <li>▪ Faucets</li> <li>▪ Countertops</li> <li>▪ Cabinetry</li> <li>▪ Sinks</li> <li>▪ Toilets</li> <li>▪ Baseboards</li> <li>▪ Brick</li> <li>▪ Concrete block</li> <li>▪ Lumber</li> <li>▪ Plywood</li> <li>▪ Shingles</li> <li>▪ Siding</li> <li>▪ Trim</li> </ul>
	Cleaning & disinfecting supplies <ul style="list-style-type: none"> <li>▪ Chlorine bleach</li> <li>▪ Detergent</li> <li>▪ Disinfectant (e.g. Clorox, Pine Sol, Lysol, etc)</li> <li>▪ Garden hose and/or sprayer</li> <li>▪ Mask</li> <li>▪ Rags, sponges and brushes</li> <li>▪ Rubber gloves</li> <li>▪ Shovels</li> </ul>

➤ Residential building supplies eligible for sales tax refund.

**Below are examples of items that are not eligible for refund of Tennessee sales tax**

For more tax information, call toll free 1-800-342-1003  
Nashville area and out-of-state call (615) 253-0600  
Email TN.Revenue@tn.gov

➤ *Items not eligible for sales tax flood relief refund.*

- Any appliance with purchase price more than \$3,200
- Any furniture with purchase price more than \$3,200
- Any supplies with purchase price more than \$500
- Computers
- Dehumidifiers
- DVD Players
- Fertilizer
- Flooring with unit price of more than \$500
- Flowers
- Grills
- HVAC/Heating and Air Units
- Mulch
- Outdoor furniture
- Outdoor lawn and garden equipment – *chainsaw, mower, weedeater, trimmer, edger, tiller*
- Outdoor lawn and garden tools – *hoe, spade, rake*
- Potting soil
- Pumps
- Stereos
- Swingsets
- Televisions

The information provided here is current as of the date of publication but may change as a result of new statutes, regulations, or court decisions. While this notice is intended to be comprehensive, events and situations unanticipated by this notice may occur. In such cases you should contact the department or your tax professional for further guidance.