

# Taxes & Business Costs

## 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><b>Equity Method:</b> \$0.25 per \$100, or major fraction thereof, of the issued and outstanding capital stock, surplus and undivided profits; minimum \$100</p>
	<p><b>Book Value Method:</b> \$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>
Unemployment Compensation Tax	<p>Varies: 0.01% to 10% of first \$9,000 of wages paid to each employee in calendar year depending on quoted rate</p> <p><b>*New employers:</b> 2.7% other than construction, manufacturing and mining (applies for the first 4 years before moving to an experience-based rate)</p>
Inventory Tax	None on finished goods inventory

Personal Income Tax	No income tax on wages
Hall Income Tax	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.

## Local Taxes

*2014 Property Tax Rate (Residential is Taxed at 25% of Assessed Value, Commercial and Industrial are Taxed at 40% of Assessed Value).*

County	City	School Dist./Fire Dist. Special	Rates			
			County	City	SSD/Fire	Total
Sullivan			\$2.3054			\$2.3054
Sullivan	Bluff City		\$2.3054	\$1.2800		\$3.5854
Sullivan	Bristol		\$2.3054	\$2.2500		\$4.5554
Sullivan	Johnson City		\$2.3054	\$1.6200		\$3.9254
Sullivan	Kingsport		\$2.3054	\$2.0700		\$4.3754

# Local Business License and Fees

- Sullivan County has no adequate facilities tax

Click on links below to see individual area's business license and fees

[Sullivan County](#)

[Kingsport](#)

[Bristol](#)

[Johnston City](#)

[Bluff City](#)

# 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](#)