

North Carolina Taxability Matrix: Library of Definitions

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Changes were made to the following areas of this document (indicated by a "✓"):

Taxability Treatment

Definition Treatment

Statute/Rule Cite Reference

Comments

Date Revised

Reference Number of changed items (may include a brief description of the change):

Updated answers to reflect repeal of transactional nexus threshold effective July 1, 2024. Updated link for POA information in Reference # 4.2. Completed Disclosed Practices 8.1.n., 8.1.o., & 8.3.q.

Each Tax Administration Practice is in the Library of Tax Administration Practices in the [Streamlined Sales and Use Tax Agreement \(SSUTA\)](#) as amended through May 16, 2024. See Appendix E of the SSUTA for additional explanations and examples related to the Tax

Administration Practices".

"Tax Administration Practices" indicates which administrative practices the state follows and provides an explanation of the state's practice if it does not follow a listed practice.

To the extent possible under each state's laws, sellers and CSPs are relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales and use tax resulting from the seller or certified service provider relying on erroneous data provided by the member state relative to the tax administration practices.

To the extent possible under each state's laws, sellers and CSPs are also relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales and use tax until the first day of the calendar month that is at least 30 days after notice of a change to the state's "Taxability Matrix: Tax Administration Practice" is submitted to the governing board, provided the seller or CSP relied on the prior version of the Taxability Matrix.

As of June 2021 the Taxability Matrix was separated into two documents: Taxability Matrix: Library of Definitions (previously Section 1) and Taxability Matrix: Tax Administration Practices (previously Section 2).

Tax Administration Practices from Appendix E of the SSUTA				
Disclosed Practice 1 - Vouchers				
Reference Number	Disclosed Practice 1 - Vouchers		Statute/Rule Cite	Comment

Voucher Definition: As used herein, a voucher is an instrument that is:

- a. issued to a purchaser for an amount that is less than the face value and both the face value and amount paid by the purchaser are noted on the voucher;
- b. redeemable for personal property or services in a single visit only at the seller's business;
- c. redeemable either for a specific product or for a certain dollar amount towards the purchase price of any product sold by the seller;
- d. issued, marketed, or distributed by a third party pursuant to a specific agreement with the seller, and the seller determines the price at which the voucher is to be issued and allows redemption of the specific voucher for personal property or services ("third party agreement");
- e. not a digital code as defined by the Agreement or its Rules;
- f. not a ticket for an admission to a specific performance or event on a specific date and time;
- g. not a gift card or gift certificate nor is it convertible, in whole or in part, to gift cards, gift certificates or cash;
- h. not usable in combination with other promotions or coupons offered by the seller; and
- i. not a prepaid calling service or a prepaid wireless calling service.

Vouchers may be provided to purchasers in the form of an electronic instrument that is scanned by the seller from the purchaser's electronic device.

		Statute/Rule Cite	Comment
The definition of "voucher" is for the purposes of responding to Disclosed Practice 1. See comments for state comments pertaining to this definition.			
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
1.1 The member state administers the difference between the value of a voucher allowed by the seller and the amount the purchaser paid for the voucher as a discount that is not included in the sales price (i.e., same treatment as a seller's in-store coupon), provided the seller is not reimbursed by a third party, in money or otherwise, for some or all of that difference.	X		
1.2 The member state provides that when the discount on a voucher will be fully reimbursed by a third party the seller is to use the face value of the voucher (i.e., same as the treatment of a manufacturer's coupon) and not the price paid by the purchaser as the measure (sales price) that is subject to tax.	X		

1.3 The member state provides that costs and expenses of the seller are not deductible from the sales price and are included in the measure (sales price) that is subject to tax. Further, reductions in the amount of consideration received by the seller from the third party that issued, marketed, or distributed the vouchers, such as advertising or marketing expenses, are costs or expenses of the seller.	X			
Disclosed Practice 2 - Credits				
Definition: "Tax Paid" means the tax that was (1) paid and (2) previously due from either the seller or the purchaser when the sale of that product is taxable in that state and it was properly sourced based on that state's sourcing rules. "Tax paid" includes tax that was (1) paid and (2) previously due from the purchaser (or seller, if applicable) because the purchaser moved the product to a different jurisdiction. "Tax paid" does not include the portion of tax paid that is currently eligible for a credit or refund or tax paid that is eligible for refund under a tax-incentive program or agreement.				
			Statute/Rule Cite	Comment
The definition of "tax paid" is for the purposes of responding to Disclosed Practice 2. See comments for state comments pertaining to this definition.				
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?		Statute/Rule Cite	Comment
2.1 Credit Against Use Tax				
2.1 The State imposing tax on the purchaser provides credit for "sales or use taxes paid" on a product against the state's use tax.	X		G.S. 105-164.6(c)(1)	Credit is allowed for sales or use tax due and paid to another state.
2.2 Credit Against Sales Tax				
2.2 The State imposing tax provides credit for the "sales or use taxes paid" on a product against the state's sales tax.		X		Credit is allowed against sales tax due in situations where a taxpayer treats a transaction as subject to use tax in error and accrues and pays tax to the State. Additionally, credit is allowed in audit situations as noted per Reference Number - Credits 2.12.
2.3 Reciprocity				

2.3.a The credit the State provides in 2.1 and 2.2 applies regardless of whether another state provides a reciprocal credit.		X	G.S. 105-164.6(c)(2)	No credit allowed for tax paid to a state that does not grant a similar credit. Credit only allowed against use tax due for sales tax properly paid to another state.
2.3.b. The credit the State provides in 2.1 and 2.2 only applies when the other state where the tax was paid provides a reciprocal credit.		X	G.S. 105-164.6(c)(2)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.4 State and Local Sales and Use "Tax Paid"				
2.4.a. The credit provided for in 2.1 and 2.2 is for the combined amount of state and local "tax paid" to another state or local jurisdiction against both the state and local taxes due to the State.		X		
2.4.b. The credit provided for in 2.1 and 2.2 is for only the state "tax paid" to another state against the taxes due to the State (i.e., no credit for local tax against state tax). If the State has local sales or use taxes, it only provides credit for state tax against state tax and local tax against local tax.	X		G.S. 105-164.4, 105-164.6, 105-467, 105-468, 105-483, 105-498, 105-537	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.5 Credit for "Similar Tax" Paid to Another Jurisdiction				
2.5 The credit provided for in 2.1 and 2.2 includes "similar taxes" that were (1) paid and (2) previously due to another state or local jurisdiction against the sales or use taxes due. If applicable, list below all known similar or like taxes the State provides credit for even if such tax does not meet the definition of a "similar tax."	X		G.S. 105-187.3, 105-187.5, 105-187.7, 105-187.16, 105-187.17, 105-187.21, 105-187.22	Taxes due and payable under G.S. 105-187.3 are payable to the NC Division of Motor Vehicles at the time of titling and such are not administered by the Department of Revenue.
Credits 2.5				
2.6. Credit Against "Similar Tax" Imposed by the State				
2.6 The credit provided for in 2.1 and 2.2 includes "sales or use taxes paid" to another state or local jurisdiction against "similar taxes" due. If applicable, list below "similar taxes" imposed that the State provides credits against.		X	G.S. 105-187.3, 105-187.5, 105-187.7, 105-187.16, 105-187.17, 105-187.21, 105-187.22	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
Credits 2.6				
2.7 Sourcing when Receipt Location is Known				

2.7 The credit provided for in 2.1 and 2.2 applies when the other state's "sales or use taxes" were (1) paid and (2) previously due based on: i) that other state's sourcing rules, or ii) the purchaser's location of use of a product subsequent to the initial sale.		X	G.S. 105-164.6(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.8 Sourcing when Receipt Location is Unknown				
2.8 Except as provided in Credits 2.13, the credit provided for in 2.1 and 2.2 applies when the seller sources the initial sale pursuant to the SSUTA Sections 310.A.3, 310.A.4, or 310.A.5, because the location where the product was received by the purchaser was unknown to the seller.		X	G.S. 105-164.6(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.9 Characterization of Sale				
2.9 The credit provided for in 2.1 and 2.2 applies regardless of the other state's characterization of the product as tangible personal property, a service, digital good, or product delivered electronically.		X	G.S. 105-164.6(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.10 Sales Price Components				
2.10.a. Full Credit Allowed - The credit provided for in 2.1 and 2.2 applies to all components of the SSUTA "sales price" definition, whether taxable or nontaxable in the State.		X	G.S. 105-164.4(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.10.b. Partial Credit Allowed - When taxable and non-taxable charges are itemized on the invoice, the credit provided for in 2.1 and 2.2 is only for the "tax paid" on the taxable components of the sales price in the State.		X	G.S. 105-164.4(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.11 Transactions with Taxable and Exempt Products				
2.11.a. Full Credit Allowed - The credit provided for in 2.1 and 2.2 applies to the full amount of "tax paid" on a transaction consisting of taxable and exempt products.		X	G.S. 105-164.6(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.11.b. Partial Credit Allowed - When taxable and non-taxable products are itemized on the invoice the credit provided for in 2.1 and 2.2 is only for the "tax paid" on the taxable products of a transaction in the State.		X	G.S. 105-164.6(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.12 Audit Sampling				

2.12 The credit provided for in 2.1 and 2.2 applies when the sale or purchase of the product was part of the population sampled pursuant to an audit sampling method.		X	G.S. 105-164.6(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State. An exception is allowed against State sales tax due through an examination of a taxpayer where State tax at the time of purchase was paid in error on a transaction or product through failure to issue a proper exemption certificate by the retailer. The credit is allowed after extrapolation of the audit sample findings and the credit is not extrapolated but rather the actual amount of credit as documented through executed Forms E-599M's is allowed in the audit report. Additionally, for State sales tax audit sample exceptions, if the retailer obtains executed Vendee Affidavits from purchasers who affirm that they paid the State's use tax on such transactions, credit is allowed for the State use tax paid against the retailer's State sales tax liability before extrapolation of the audit sample findings.
2.13 Direct Mail				
2.13 The credit provided for in 2.1 and 2.2 applies when the seller sources the sale of Advertising and Promotional Direct Mail pursuant to Section 313.A.4.	X			Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.14 Accelerated Payments on Lease/Rentals				
2.14 The credit provided for in 2.1 and 2.2 includes the "tax paid" to another state or local jurisdiction on a lease/rental transaction based on the sum of the lease payments ("accelerated basis"), against the "sales or use taxes" due on the balance of the lease/rental payments.		X	G.S. 105-164.6(c)	Sales tax is due on the gross receipts for lease payments after the property is located in the State. Credit is allowed in the State for any sales or use tax due and paid on the accelerated basis in an amount equal to the amount of tax that would have been due on the lease/rental payment had the tax not been paid on an accelerated basis.
2.15 Inception-Deferred Collection on Lease/Rentals				
2.15 The credit provided for in 2.1 and 2.2 includes the "tax paid" to another state or local jurisdiction on a lease/rental transaction based on a deferred collection/remittance method against the "sales or use taxes" due on the balance of the lease/rental payments.		X	G.S. 105-164.6(c)	No credit allowed for tax paid to another state after the property is moved to the State. Sales tax is due on the lease/rental billings after the property is moved to the State. It is unclear that the tax was imposed and due to the other state based on the question.
2.16 Lessor Acquisition				

2.16 The credit provided for in 2.1 and 2.2 includes the "tax paid" by the lessor to another state or local jurisdiction on the acquisition of the product against the "sales or use taxes" due on the balance of the lease/rental payments provided the tax reimbursement is documented and disclosed to the lessee.		X		Sales tax is imposed on the lessor of the property located in the State. As such, credit would not be allowed for tax paid to another State.
Disclosed Practice 3 - Liability Relief				
Note: These tax administration practices address whether a member state provides liability relief although the state is only required to provide relief "to the extent possible," as specified in sections 328(C) and (D) of the Agreement.				
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment	
Disclosed Practice 3.1 - Liability relief for erroneous information in the tax administration practices section of the taxability matrix				
If you answer "Yes" to 3.1, you do not need to complete 3.1.a, b, and c below. If you answer "No" to 3.1, please complete 3.1.a, b, and c below.				
Liability Relief 3.1 The State provides sellers and CSPs with liability relief for tax, interest and penalties if the sellers and CSPs charged and collected the incorrect tax due to erroneous information in the tax administration practices section of the taxability matrix.	X		G.S. 105-164.42L(b)	A person who relies on the information provided in the taxability matrix is not liable for underpayments of tax attributable to erroneous information provided by the Secretary in the taxability matrix.
Liability Relief 3.1.a. Liability Relief for Tax				
Liability Relief 3.1.b. Liability Relief for Interest				
Liability Relief 3.1.c. Liability Relief for Penalties				
Disclosed Practice 3.2 - Extended liability relief for changes to the tax administration practices section of the taxability matrix				
If you answer "Yes" to 3.2, you do not need to complete 3.2.a, b, and c below. If you answer "No" to 3.2, please complete 3.2.a, b, and c below.				

<p>Liability Relief 3.2 When the State makes a change to its tax administration practice section of the taxability matrix, the State provides sellers and CSPs with liability relief for the tax, interest and penalties for having charged and collected the incorrect tax until the first day of the calendar month that is at least 30 days after notice of the change to the state's tax administration practices section of the taxability matrix is submitted to the governing board, provided the seller or CSP relied on the prior version of the taxability matrix.</p>		X		<p>Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.</p>
<p>Liability Relief 3.2.a. Liability Relief for Tax</p>		X		<p>Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.</p>
<p>Liability Relief 3.2.b. Liability Relief for Interest</p>		X		<p>Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.</p>

Liability Relief 3.2.c. Liability Relief for Penalties		X		<p>Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.</p>
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Disclosed Practice 3 .3 Extended liability relief for changes to the library of definitions section of the taxability matrix

If you answer "Yes" to 3.3, you do not need to complete 3.3.a, b, and c below.
 If you answer "No" to 3.3, please complete 3.3.a, b, and c below.

<p>Liability Relief 3.3 When the State makes a change to the library of definitions section of its taxability matrix, the State provides sellers and CSPs with liability relief for the tax, interest and penalties for having charged and collected the incorrect tax until the first day of the calendar month that is at least 30 days after notice of the change to the member state's library of definitions section of the taxability matrix is submitted to the governing board, provided the seller or CSP relied on the prior version of the taxability matrix.</p>		X		<p>A person who relies on the information provided in the taxability matrix is not liable for underpayments of tax attributable to erroneous information provided by the Secretary in the taxability matrix. Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.</p>
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Liability Relief 3.3.a. Liability Relief for Tax		X		<p>A person who relies on the information provided in the taxability matrix is not liable for underpayments of tax attributable to erroneous information provided by the Secretary in the taxability matrix. Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.</p>
Liability Relief 3.3.b. Liability Relief for Interest		X		<p>A person who relies on the information provided in the taxability matrix is not liable for underpayments of tax attributable to erroneous information provided by the Secretary in the taxability matrix. Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.</p>

Liability Relief 3.3.c. Liability Relief for Penalties		X		A person who relies on the information provided in the taxability matrix is not liable for underpayments of tax attributable to erroneous information provided by the Secretary in the taxability matrix. Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.
Disclosed Practice 4 - Acceptance of Limited Power-of-Attorney/Agent Authorization Form F0023				
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment	
4.1 Acceptance of Form F0023 From CSPs				
4.1 The member state will accept a signed copy of the Limited Power of Attorney/Agent Authorization form posted to the governing Board's website, as sufficient authority for the state to disclose to the CSP any confidential information of the seller necessary to allow the CSP to fulfill its obligations under its contract with the governing board and to fulfill its responsibilities to the seller under Section 501 of the Agreement.	X			It is suggested that State personnel identified through the SST project as points of contact for CSP's be utilized.
4.2 Acceptance of Form F0023 From Persons Other Than CSPs				
4.2 The member state will accept a signed copy of the Limited Power of Attorney/Agent Authorization form posted to the governing Board's website, as sufficient authority for the state to disclose to the seller's appointed agent, other than a CSP, any confidential information of the seller as authorized on the form to allow the agent to fulfill its obligations to the seller.		X		NC requires Form Gen-58, Power of Attorney and Declaration of Representative, or Form Gen-58B, Power of Attorney for Bankruptcy Matters. https://www.ncdor.gov/poa

Disclosed Practice 5 - Post Transaction Issues**Definition:**

Unless indicated otherwise throughout Disclosed Practice 5:

- Use of the word "tax" means the sales or use tax paid by the customer to the seller which was timely remitted by the seller to the state;
- Use of the word "refund" includes a credit unless otherwise stated;
- Unless otherwise stated, the refund is being claimed within the state's statute of limitations;
- Unless otherwise stated, the seller has refunded the tax to the customer;
- The tax rates used in the examples are for illustrative purposes only and are presumed to be correct;
- The seller is not engaged in fraud or making intentional misrepresentations;
- The seller maintains proper books and records to substantiate taxes collected and remitted based on the applicable state's requirements;
- The disclosed practices do not apply to sales of motor vehicles;
- The disclosed practices relate to products voluntarily returned by the customer and accepted by the seller (e.g., does not include repossessed products) and;
- **The disclosed practices only provide general guidance and assume there are no other unique circumstances that apply.**

If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
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5.1 - Refund Procedure Document

5.1 Does your state have written guidance on your website, or otherwise, that explains how sellers and/or customers can properly obtain a tax refund from your state? (If "yes", please provide a website link and/or indicate how a person can obtain guidance in the comment section.)	X	G.S. 105-164.11, 105-164.11A, 105-241.7	https://www.ncdor.gov/taxes-forms/sales-and-use-tax/amended-returns-and-refund-claims
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Disclosed Practice 5.2 - When does your state's statute of limitations begin for a seller to obtain a refund of tax paid for products returned by a customer?

5.2.a. It begins on the due date of the tax return on which the tax was required to be reported by the seller to the state.		X		
5.2.b. It begins on the date the tax on the sale was due by the seller to the state.		X		
5.2.c. It begins on the date the tax was remitted to the state or the due date of the tax return, whichever is later.		X	G.S. 105-241.6(a)	
5.2.d. It begins on the date the customer returns the product (such as a rescission of sale) to the seller and receives the refund from the seller.	X		G.S. 105-164.11A	
5.2.e. Other - If the state's answers to 5.2.a. – 5.2.d. were all "no", check "yes" and explain when the statute of limitations for a seller's claim begins in the comments section.		X		
Disclosed Practice 5.3 - How long is your state's statute of limitations time period for a seller to claim a tax refund on products returned by a customer?				
5.3.a. A three-year statute of limitations (that begins based on the state's response in 5.2) for a seller to make a refund request to the state.	X			For purposes of this response, the statute of limitations applies to the filing period in which the return occurred.
5.3.b. A four-year statute of limitations (that begins based on the state's response in 5.2) for a seller to make a refund request to the state.		X		
5.3.c. If the answers to both 5.3.a. and 5.3.b., were "no" please indicate "yes" and provide your state's time period for a seller to make a refund request to the state in the comments.				
Disclosed Practice 5.4 - Documentation to Prove Refund of Tax to Customer				
5.4 Will your state accept the seller's electronic sales receipts that identify the product purchased, the date purchased, the tax collected, the product returned, the date refunded and the tax refunded to the customer to prove that a customer paid tax?	X			
Disclosed Practice 5.5 - How does a seller obtain a refund of tax refunded to their customer? (Credit on Current Tax Return, Subsequent Tax Return or Refund Claim)				

5.5.a. Does your state allow a seller to take a credit (or net) on its tax return to report the original sale if the product was returned prior to the seller filing that tax return? If this is required, note that in comments section.	X		G.S. 105-164.11, 105-164.11A	
5.5.b. Subject to the state's statute of limitations, does your state allow a seller to take a credit (or net) during the reporting period when the product was returned if the product is returned in a different reporting period than the original sale? If this is required, note that in comments section.	X		G.S. 105-164.11, 105-164.11A	
5.5.c. Subject to the state's statute of limitations, does your state allow the seller to file an amended tax return and/or refund claim when the product is returned after the seller filed its tax return to the state to report the original sale? If this is required, note that in comments section.	X		G.S. 105-164.11, 105-164.11A, 105-241.7	
Disclosed Practice 5.6 - May the seller process the refund and additional charges in one transaction on a single invoice?				
5.6.a. Does your state allow the seller to obtain a refund from the state if the seller subtracts from the original sales price any charges imposed by the seller to make a return (understanding the tax must be collected on any taxable charges)? If your state has exceptions note those exceptions in the comments section.	X		G.S. 105-241.7	
5.6.b. If the answer to 5.6.a. was "no," does your state allow the seller to obtain a refund from the state if it provides a full refund, including the tax, but subsequently imposes any service charges (and imposing any applicable tax) to the customer as a separate transaction on a separate invoice?				
Disclosed Practice 5.7 - Taxability of Return Fees				
5.7.a. Does your state impose tax on restocking fees or return fees that are not directly associated with the use of a returned product?		X		
5.7.b. Does your state impose a sales tax on a charge for the use (e.g. wear and tear) of a product?		X		
Disclosed Practice 5.8 - Cash/Credit Refund versus Store Credit				

5.8 Does your state treat the refund in the form of store credit the same as a cash refund for returned products?	X		G.S. 105-164.11(a)(1)	
Disclosed Practice 5.9 - Simultaneous Return and Sale				
5.9.a. Does your state allow the seller to only collect and remit the additional tax on the price difference of a returned product when the replacement product costs more? If no, explain in the comments section.	X			
5.9.b. Does your state allow the seller to obtain a refund from the state for the price difference of a returned product when the replacement product costs less? If no, explain in the comments.	X		G.S. 105-164.11, 105-164.11A, 105-241.7	
Disclosed Practice 5.10 - Refund Pending State Approval				
5.10.a. Will your state refund or credit a seller for tax erroneously collected and remitted to the state prior to the seller refunding the customer the tax if the seller does not have a written agreement to refund the tax to the customer?		X		
5.10.b. If you answered "no" to disclosed practice 5.10.a., if the seller has a written agreement that it will refund the tax to the customer if the state approves the refund, will your state refund or credit a seller for tax erroneously collected and remitted to the state prior to the seller refunding the customer the tax?		X		
5.10.c. Does your state require the seller to refund the tax to the customer prior to obtaining a refund from the state?	X		G.S. 105-164.11, 105-164.11A	
Disclosed Practice 5.11 - Seller Refund When Customer Did Not Pay Tax				
5.11 Can the seller, who remitted the tax to the state, obtain a refund of the tax paid to the state if the customer refuses to pay the tax because the customer correctly asserted the transaction was exempt under the state's laws?	X		G.S. 105-164.11, 105-164.11A, 105-241.7	Form E-595E, Streamlined Sales Tax Agreement Certificate of Exemption, or the required data elements provided in G.S. 105-164.28 must be on file to establish a transaction is exempt from tax.
Disclosed Practice 5.12 - Returned Product to Seller in Another State				

5.12 The customer has the original sales receipt indicating your state's tax was charged. If the product is returned in another state, will your state allow the seller to claim the refund of the tax paid to your state?	X		G.S. 105-164.11, 105-164.11A, 105-241.7	Yes, provided the tax is refunded or credited to the customer.
Disclosed Practice 5.13 - Returned Product to Seller in Another Local Jurisdiction Within the Same State				
5.13 The customer has the original sales receipt indicating the tax was charged for a local jurisdiction in your state. The product is returned in your state in a different local jurisdiction. Does your state require the seller to claim the refund of the tax paid to the original local jurisdiction?	X		G.S. 105-164.11, 105-164.11A, 105-241.7	
Disclosed Practice 5.14 - Returned Product with No Receipt				
5.14 If a seller refunds tax to a customer, without a receipt, using the tax rate at the store where the return was made and the price of the returned product at the store at that time, will your state allow the seller to receive a refund or credit of this tax from the state? Note in the comments section any special documentation the seller needs to provide the state.		X		
Disclosed Practice 5.15 - Customer Directly Filing for a Refund				
5.15.a. Does the state give customers the option to request a tax refund directly from the state (i.e., the customer is not required to make the request through the seller)? Note any special requirements that may apply, such as minimum dollar thresholds, in the comment section.		X	G.S. 105-164.11A(b)	This is only allowed for certain situations regarding services contracts as provided in G.S. 105-164.11A(b).
5.15.b. If the answer to disclosed practice 5.15.a. was "no," does the state allow a customer to obtain a tax refund from the state when the seller cannot be found or refuses to refund the tax to a customer? If "yes", provide details in the comment section.		X		
Disclosed Practice 6 - Voluntary Disclosure Agreement (VDA)				
Instructions: For each of the scenarios below, indicate whether registration to collect and remit sales and use taxes with your state adversely affects a VDA.				
If You Answered Yes, Describe the Adverse Affect on the VDA. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment	

6.1.a. A seller's registration prior to the seller (or its representative) submitting the state's voluntary disclosure agreement (VDA) application will adversely affect the seller's VDA with the state.		X		
6.1.b. A seller's registration after the seller (or its representative) submits the state's voluntary disclosure agreement (VDA) application, but before either the seller or the state signs the actual VDA will adversely affect the VDA with the state.		X		
6.1.c. A seller's registration after the state signs the actual voluntary disclosure agreement (VDA) but before the seller signs the VDA will adversely affect the VDA.		X		
Disclosed Practice 7 - Classification of Medical Products in Appendix L Identified as "Not Classified by SSTGB"				
Instructions: States may classify one or more of the "Not Defined" products listed in Appendix L under one of the SSUTA definitions or a state-specific definition, other than "tangible personal property."				
	Does Your State Follow this Practice?		Statute/Rule Cite	Comment
Disclosed Practice 7 - Classification of Medical Products in Appendix L Identified as "Not Classified by SSTGB"				
7.1 Does the state classify any of the items listed below in Medical Products Disclosed Practice 7.2 as clothing, drugs, durable medical equipment, mobility enhancing equipment, over-the-counter drugs, prosthetic devices, or under a different state-specific definition (other than tangible personal property)? If yes, see Medical Products Disclosed Practice 7.2 for the classification. If no, Medical Products Disclosed Practice 7.2 does not need to be completed.	X			
<p>7.2 Answer No if the item is not classified under any of the terms listed in Medical Products Disclosed Practice 7.1 or a state-specific defined term (other than tangible personal property).</p> <p>Answer Yes if the item is classified under one of those terms, provide the appropriate statute/rule city and indicate in the "Comment" column the defined term under which the item is classified.</p> <p>These tax administration practices identify how each state classifies the products identified as "Not Classified by SSTGB" in Appendix L, but do not indicate the taxability of those products.</p>				
Product	SSUTA Defined or State Defined Term		Statute/Rule Cite	Comment (if applicable, indicate defined term under which the item is classified)

7.2.a Air purifier			
7.2.b Bed pads - Disposable - for incontinent patients (Disposable pad placed on beds to keep sheets dry and wick moisture away from the patient. Used for incontinent patients.)	State Defined	G.S. 105-164.3, 105-164.13(13d)	Incontinence underpad
7.2.c Blankets - Other than baby receiving blankets			
7.2.d Breast pumps (See Reference #s 52500-52512)	SSUTA Defined		G.S. 105-164.3(22)
7.2.e Closed caption devices			
7.2.f Cold packs and Hot packs (reusable)			
7.2.g Collection bags - Body fluid collection (For collection and sending to lab for testing)			
7.2.h Denture adhesive			
7.2.i Dialysis Bags - Peritoneal Dialysis Drain			
7.2.j Dialyzers - Single Use (A dialyzer is an artificial kidney designed to provide controllable transfer of solutes and water across a semi permeable membrane separating flowing blood and dialysate streams. The transfer processes are diffusion (dialysis) and convection (ultrafiltration). There are three basic dialyzer designs: coil, parallel plate, and hollow fiber configurations. Filter that is incorporated in machine.)			
7.2.k Dressings - Compression - Non Medicated (Ace Bandages)			
7.2.l Dressings - Elastic - Non Medicated (Non-Ace bandages to hold dressings)			
7.2.m Dressings - Gauze Wraps (Tube gauze, Gauze Wraps)			

7.2.n Dressings - General (Pads, sponges, tapes and adherents, elastic, compression, gauze)			
7.2.o Dressings - Non-Medicated (Dressings containing a substance which is neither a RX or OTC drug)			
7.2.p Dressings - Wound Care - Skin Barrier Products (Sprays, cream)			
7.2.q Eating utensils - Adjustable			
7.2.r ECG Monitor - Implanted			
7.2.s Fever thermometers - Disposable/SPU			
7.2.t Gases - Non-Medical Grade			
7.2.u Gases - Tanks for (Empty - Tanks only)			
7.2.v Glucose for Insulin Reactions (Tablets, liquid)			
7.2.w Infuser Bags (Pressure Infuser bags - used to administer intravenous fluids under pressure at any angle to patients in pre-hospital or emergency room settings - Disposable)			
7.2.x IV Therapy arm boards-Disposable			
7.2.y IV Therapy Tourniquets - SPU (Disposable)			
7.2.z Laboratory equipment (Microscopes, incubators, refrigerators, centrifuges)			

7.2.aa Medical atomizers - Disposable (An atomizer that gives controlled delivery of topical anesthetics and other drugs. Used primarily for nasal or oral drug delivery. This version of atomizers is disposable.)			
7.2.ab Medical Instruments - Disposable (Clamps, drills, endoliner cutter, forceps, retractors, scalpels, reamers, scissors, trocar)			
7.2.ac Nasal strips (Flexible spring like band that fits above the nostrils and lifts the sides of the nose when they try to straighten back to their original shape.)			
7.2.ad Needleless Drug Delivery System - Injection Guns (Disposable)			
7.2.ae Needles - Wound Closure - Suturing (Disposable)			
7.2.af Needles & Syringes - Acupuncture needles (Reusable)			
7.2.ag Needles & Syringes - Needles - Aspirating			
7.2.ah Needles & Syringes - Needles - Biopsy			
7.2.ai Needles & Syringes - Needles - Blood Draw/Access			
7.2.aj Needles & Syringes - Needles - Hypodermic			
7.2.ak Needles & Syringes - Needles - Hypodermic - Insulin			
7.2.al Needles & Syringes - Needles - Not Inject/Drain (Parts to machines)			
7.2.am Needles & Syringes - Needles/Syr Pckgd Tog			

7.2.an Needles & Syringes - Syringe - Cannula Package (Interlink System -- Separate Needle-less infusion device from IV sets - Stand alone items)			
7.2.ao Needles & Syringes - Syringes			
7.2.ap Needles & Syringes - Syringes - Insulin			
7.2.aq Needles & Syringes - Syringes - Not Inject/Drain (Irrigation (Toomey), oral and ear)			
7.2.ar Ostomy - Barriers (Barrier prep wipes, barrier powder)			
7.2.as Ostomy - Cleaners / Skin Prep (Skin prep peri-wash, ostomy cleanser, cleanser deodorants, adhesive remover)			
7.2.at Ostomy - Lubricants (Lubricants, lubricant jelly, stoma lubricant)			
7.2.au Paraffin wax (Wax used in paraffin baths. Paraffin heat therapy provides moist heat to warm joints tissue and skin. Used in the treatment of arthritis and joint injuries.)			
7.2.av Physical Therapy -Equipment & Tools (Exerbands, weights, bikes, treadmills, rowers, parallel bars from #212)			
7.2.aw Resuscitators - Disposable			
7.2.ax Safety equipment (Goggles, shields)			
7.2.ay Seat Cushions - Comfort (General use cushions that do not primarily and customarily serve a medical purpose.)			

7.2.az Sitz bath			
7.2.ba Skin closures (These are called butterfly bandages, steri-strips, cover strips, or suture strips and are variations of sterile adhesive skin closures designed to hold the edges of a skin wound together.)			
7.2.bb Spas, hot or cold (Spas which are available for sale to the general public and not specifically manufactured for medical purposes.)			
7.2.bc Staple Remover - Wound Closure (Disposable)			
7.2.bd Stapler - Empty - one Use Only			
7.2.be Sterilizers - Chemical			
7.2.bf Suction Catheter (This catheter is used for the removal of respiratory tract secretions. The catheter is inserted through tracheal and tracheostomy tubes. Four eyes at the catheter's tip serve as vacuum breakers to help prevent tissue from being pulled into the tube. Since suctioning removes the patient's air supply, suction should not exceed 10 seconds duration. Suction catheters are intended for single use only.)			
7.2.bg Therapy - Cold (Cold compression)			
7.2.bh Therapy - Heat (Heat warmers)			
7.2.bi Tongue depressors			
7.2.bj Transducer gel			
7.2.bk Venous blood sets			
7.2.bl Visually Impaired Supplies & Equipment - Other			

7.2.bm X-Ray developer solution			
Disclosed Practice 8 - Remote Sellers, Marketplace Sellers, and Marketplace Facilitators/Providers			
<p>Collection and Remittance Requirements Related to Remote Sellers, Marketplace Sellers, and Marketplace Facilitators/Providers from Appendix E of the SSUTA. NOTE: Additional explanatory information and examples can be found in Appendix E of the SSUTA.</p> <p>Unless otherwise specified, Disclosed Practice 8 only applies to the states' sales and use tax laws, and not to other taxes or other regulatory registration requirements.</p> <p>(These tax administration practices address how a member state administers its sales and use tax economic nexus, remote seller, and marketplace facilitator/provider statutes. The United States Supreme Court (SCOTUS) ruled in South Dakota v. Wayfair on June 21, 2018, that states can require sellers to collect and remit sales or use tax on sales delivered to locations within their state even if the seller does not have a physical presence in the state.)</p> <p>Unless otherwise noted, States should answer every disclosed practice question/statement.</p>			
Disclosed Practice 8.1 – Remote Sellers			
State Guidance for Remote Sellers			
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
<p>Definition: For purposes of Disclosed Practice 8.1.a</p> <p>"Remote Seller" is generally a seller that does not have any physical presence in a state (no property or employees) but who sells products or services for delivery into that state.</p> <p>A remote seller includes a "marketplace seller" that does not have a physical presence in the state.</p> <p>(Note: A state may allow a seller to have limited physical presence in the state and still treat the seller as a remote seller as provided in (A) and (B).)</p>			
<p>(A)(1) Inventory Controlled by 3rd Party</p> <p>(A) (1) The State still treats a seller as a "Remote Seller" if the seller's <u>only</u> physical presence in the state is inventory owned by that seller that is in a third party's warehouse which the seller does not control (e.g., Marketplace Facilitator/Provider controls the movement of inventory). (Note, the exception in (A)(2) and/or (B) may also apply.)</p>	<p>X</p>		

<p>(A)(2) Inventory Seller Controls</p> <p>(A)(2) The State still treats a seller as a "Remote Seller" if the seller's <u>only</u> physical presence in the state is inventory owned by that seller that is in a third party's warehouse and the seller controls the movement of the inventory. (Note, the exception in (A)(1) and/or (B) may also apply.)</p>		X		
<p>(B) Employees</p> <p>(B) The State still treats a seller as a "Remote Seller" if the seller's <u>only</u> physical presence in the state is an employee that is not involved in making sales. If for purposes of Disclosed Practice 8.1.(B) the State distinguishes between retail and wholesale sales, the State will indicate it in the Comment column.</p> <p>(Note, the exception in (A) may also apply.)</p>		X		
<p>8.1.a.i.</p> <p>The State's Remote Seller monetary economic nexus threshold is "\$100,000" (i.e., either \$100,000 or more" or "more than \$100,000"). (Definition of "type of products" subject to the threshold calculation is addressed in 8.1.b.)</p> <p>If "Yes", indicate in the Comment column if the State's monetary economic nexus threshold is:</p> <p>"\$100,000 or more" or "More than \$100,000".</p> <p>If "No", indicate in the Comment column the dollar amount of the State's monetary economic nexus threshold and whether it is:</p> <p>"\$X or more" or "More than \$X".</p> <p>If the state does not have a monetary economic nexus threshold, indicate "No Threshold".</p>	X			More than \$100,000.
<p>Disclosed Practice 8.1.b. – What Type of Products Does the State Include in its Economic Nexus Threshold Calculation?</p>				

<p>Disclosed Practice 8.1.b.i.</p> <p>The State includes sales of all types of products (e.g., sales of tangible personal property, sales of digital good, sales of services) in its economic nexus threshold calculation.</p> <p>If no, indicate in the Comment column which types of product sales are included in the state's economic nexus threshold.</p> <p>(Note: For purposes of these disclosed practices, the sales of the types of products identified in 8.1.b. are the sales to be considered when computing the state's economic nexus threshold(s).)</p>	X			
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Disclosed Practice 8.1.c. - How is the State's Remote Seller Monetary Economic Nexus Threshold Calculated? – Only one answer should be "yes".

<p>8.1.c.i. - GROSS</p> <p>The State's Remote Seller monetary economic nexus threshold is based on GROSS sales, gross revenue or gross receipts from all sales.</p>	X			
<p>8.1.c.ii. - RETAIL</p> <p>The State's Remote Seller monetary economic nexus threshold is based only on RETAIL sales (only excludes sales for resale).</p>		X		
<p>8.1.c.iii. - TAXABLE</p> <p>The State's Remote Seller monetary economic nexus threshold is based only on TAXABLE sales (all sales that are taxable).</p>		X		
<p>8.1.c.iv. - OTHER</p> <p>The State calculates the monetary economic nexus threshold based on something other than Gross, Retail or Taxable sales. Indicate in the Comment column what your state's monetary economic nexus threshold is based on.</p>		X		

Disclosed Practice 8.1.d. - What is the State's Remote Seller Transactional Economic Nexus Threshold?

Best Practice for 8.1.d. - States do not have a transactional economic nexus threshold.

8.1.d.i.

The State's Remote Seller transactional economic nexus threshold is "200" (i.e., either "200 or more" or "more than 200") separate transactions. (What constitutes a "transaction" is explained in 8.1.e and 8.1.f)

If "Yes" - Indicate in the comments if transactional threshold is:

"200 or more transactions" or
"More than 200 transactions".

If "No" - Indicate in the Comment column the State's transactional economic nexus threshold and whether it is:

"X transactions or more" or
"More than X transactions"

If the State does not have a transactional economic nexus threshold indicate "No Threshold" in the Comment column.

X

Disclosed Practice 8.1.e. - Which Transactions Are Used to Determine if a Seller Has Met a State's Transactional Economic Nexus Threshold?

8.1.e.i

The State's Remote Seller transactional economic nexus threshold is calculated using the same transactions that are used to calculate the State's monetary economic nexus threshold (gross, retail or taxable) as indicated in Disclosed Practice 8.1.b.

Disclosed Practice 8.1.f. - For Purposes of Computing the State's Transactional Economic Nexus Threshold, what is Considered a "Transaction"? Only one answer should be "Yes" for i., ii., or iii.

8.1.f.i.

The State's Remote Seller transactional economic nexus threshold is based on the number of invoices.

<p>8.1.f.ii.</p> <p>The State's Remote Seller transactional economic nexus threshold is based on the number of orders placed, regardless of whether multiple invoices or shipments are used to fulfill each order placed (e.g., if a single order is placed but it is delivered in three (3) separate shipments, it is considered one (1) transaction).</p>				
<p>8.1.f.iii.</p> <p>The State's Remote Seller transactional economic nexus threshold is based on the quantity of items sold (each item on a single invoice is considered a separate transaction (e.g., a prepackaged box of the same product is one item (box of 12 pencils); however, multiple purchases of the same product are separate items (12 individual pencils)).</p>				
<p>8.1.f.iv.</p> <p>An invoice that includes items to be delivered into multiple states is considered a transaction in this State if any of the items on the invoice are delivered into this State.</p>				
<p>Disclosed Practice 8.1.g. – Transaction with Multiple Payments</p>				
<p>8.1.g.i.</p> <p>A transaction that requires multiple payments (e.g., monthly payments) is considered one transaction for purposes of the State's Remote Seller transactional economic nexus threshold (i.e., each payment is not considered a separate transaction).</p>				
<p>Disclosed Practice 8.1.h. – Does a Remote Seller who makes sales through a Marketplace Facilitator/Provider need to include the sales made through the marketplace in determining if it meets a state's economic nexus threshold?</p>				

<p>8.1.h.i.</p> <p>A Remote Seller shall include its sales made through a Marketplace Facilitator/Provider that is registered in the State when determining if it meets or exceeds the state's economic nexus threshold.</p>	X			
<p>8.1.h.ii.</p> <p>A Remote Seller shall include its sales made through a Marketplace Facilitator/Provider that is <u>not</u> registered in the State when determining if it meets or exceeds the state's economic nexus threshold.</p>	X			
<p>Disclosed Practice 8.1.i. - What period of time does the State base its a remote seller economic nexus threshold on? – Only one answer should be yes.</p>				
<p>8.1.i.i. - EITHER CURRENT or PREVIOUS YEAR</p> <p>The State's economic nexus threshold is based on a Remote Seller exceeding the threshold in either the previous calendar year or current calendar year.</p>	X			
<p>8.1.i.ii. - ONLY PREVIOUS YEAR</p> <p>The State's economic nexus threshold is based on a remote seller exceeding the threshold only in the previous calendar year.</p>		X		
<p>8.1.i.iii. - OTHER</p> <p>The State's economic nexus threshold is based on a different period of time. (Provide the basis in the Comment column.)</p>		X		
<p>Disclosed Practice 8.1.j. – When does the State require a remote seller to register and begin collecting and remitting the applicable tax? – Only one answer should be yes.</p> <p>A Remote seller who has met the economic nexus threshold in a state but has not made any taxable sales into that state, should review DP 8.1.n for exceptions.</p>				
<p>Best Practice for 8.1.j. - A Remote Seller is required to register and begin collecting and remitting the tax no sooner than the first day of the first calendar month that begins 30 days after meeting or exceeding the state's threshold.</p>				

<p>8.1.j.i.</p> <p>The State requires a Remote Seller to register, collect and remit the tax on the next transaction after meeting or exceeding the threshold.</p>	X			
<p>8.1.j.ii.</p> <p>The State requires a Remote Seller to register, collect and remit the tax by no later than the first day of the first calendar month that begins at least X days after meeting or exceeding the threshold.</p> <p>Indicate in the Comment column the number of days after the threshold is met that the seller is required to register and begin collecting and remitting the tax.</p>		X		
<p>8.1.j.iii.</p> <p>Other. If the State's answer to 8.1.j.i and j.ii is "no" indicate in the Comment column when a Remote Seller must register and begin collecting and remitting the tax.</p>		X		
<p>Disclosed Practice 8.1.k. - When is a remote seller who falls below a state's economic nexus threshold allowed to stop collecting and remitting the tax?</p>				
<p>8.1.k.i.</p> <p>A Remote Seller that falls below the State's Remote Seller economic nexus threshold(s) during the measurement period (See 8.1.i.) may cancel its registration or request inactive status any time after the measurement period ends.</p> <p>If yes, indicate in the Comment column if the remote seller can:</p> <p>Cancel the registration, or Request inactive status.</p> <p>If the answer is no, indicate in the Comment column when a Remote Seller can cancel their registration or request inactive status.</p>	X			<p>Cancel the registration.</p>
<p>Disclosed Practice 8.1.l. – What Type of Permit Does a Remote Seller Apply For? – Only one answer should be yes.</p>				

<p>8.1.l.i.</p> <p>The State requires a Remote Seller to register to collect sales tax.</p>		X		
<p>8.1.l.ii.</p> <p>The State requires a Remotes Seller to register to collect (seller's) use tax.</p>		X		
<p>8.1.l.iii.</p> <p>The State requires a Remote Seller to register under a single registration to collect both sales and (seller's) use tax.</p>	X			
<p>8.1.l.iv.</p> <p>The State allows a Remote Seller to register to collect either a sales or (seller's) use tax. If yes, please explain in Comment column any special circumstances.</p>		X		
<p>Disclosed Practice 8.1.m. Can a Remote Seller that is not registered or required to be registered in any State provide an exemption certificate claiming sale for resale to a Seller located in this state and can that Seller accept that exemption certificate? More information on a state's acceptance of an exemption certificate is available at: Exemptions (streamlinedsalestax.org)</p>				
<p>8.1.m.i.</p> <p>A Remote Seller that is not registered or required to be registered in any State can provide an exemption certificate to a Seller in this State claiming a sale for resale for those items the Remote Seller will resell, and the Seller in this State may accept such exemption certificate.</p> <p>If yes, indicate in the Comment column what identification number, if any, the Remote Seller is required to put on the certificate?</p>		X	G.S. 105-164.28(a)	

<p>8.1.m.ii.</p> <p>A Remote Seller that is not registered or not required to be registered in any State purchasing items for resale from a third- party supplier (drop shipper) who will deliver the items to the Remote Seller's customer located in this State can issue an exemption certificate claiming resale and the third-party supplier (drop shipper) can accept such exemption certificate. See SSUTA Sec. 317.A.8 for Drop Shipment requirements.</p> <p>If yes, indicate in the Comment column what identification number, if any, the Remote Seller is required to put on the exemption certificate.</p>	X		G.S. 105-164.28(a)(4)	Federal Employer Identification Number, or if no FEIN, enter personal driver's license number and the state from which it is issued.
<p>Disclosed Practice 8.1.n. If your state bases your economic nexus threshold calculation on gross sales or retail sales in DP 8.1.c, does your state require a remote seller that meets the economic nexus threshold in your state but does not have any taxable sales in your state to register and file?</p> <p>Note: States that base their calculation of economic nexus threshold on "taxable" sales in DP 8.1.c, do not answer DP 8.1.n.</p>				
<p>8.1.n.i.</p> <p>The State requires a remote seller to register and file as provided in DP 8.1.j. If yes, go to the next DP. If no, go to DP 8.1.n.ii.</p>	X			
<p>8.1.n.ii.</p> <p>The State requires a remote seller who has met the economic nexus threshold but has not made any taxable sales to register as provided in DP 8.1.j. however, the remote seller is not required to collect and file until the remote seller makes a taxable sale. If yes, go to DP 8.1.n.ii.A. If no, go to DP8.1.n.iii.</p>				
<p>8.1.n.ii.A.</p> <p>When does the State require a remote seller described in 8.1.n.ii. to begin collecting tax and filing after it makes its first taxable sale?</p>				
<p>8.1.n.ii.A.1</p> <p>Immediately upon making the first taxable sale.</p>				

<p>8.1.n.ii.A.2.</p> <p>After meeting the period of time provided in DP 8.1.j. after making its first taxable sale.</p>				
<p>8.1.n.iii.</p> <p>The State does not require a remote seller to register, collect or file as provided in DP 8.1.j. until the remote seller makes a taxable sale. If yes, go to DP 8.1.n.iii.A.</p>				
<p>8.1.n.iii.A.</p> <p>When does the State require a remote seller to register and collect tax after it makes its first taxable sale?</p>				
<p>8.1.n.iii.A.1</p> <p>Immediately upon making the first taxable sale.</p>				
<p>8.1.n.iii.A.2.</p> <p>After meeting the period of time provided in 8.1.j. after making its first taxable sale.</p>				
<p>Disclosed Practice 8.1.o. - If your state has eliminated the transactional economic nexus threshold, what is the earliest date a remote seller who does not meet or exceed your monetary economic nexus threshold but had met the transactional economic nexus threshold in the measurement period may cancel their registration?</p>				
<p>8.1.o.i.</p> <p>Has your state eliminated its transactional economic nexus threshold?</p> <p>If yes, indicate in the Comments column the effective date and go to DP 8.1.o.ii</p> <p>If no, go to the next DP.</p>	<p>X</p>			<p>Effective July 1, 2024.</p>

<p>8.1.o.ii.</p> <p>Can a remote seller that does not meet or exceed the monetary economic nexus threshold but had met the transactional economic nexus threshold in the measurement period prior to the elimination of the transactional threshold, cancel its registration or request inactive status?</p> <p>If yes, indicate in the Comments column what is the earliest date the remote seller may cancel its registration or request inactive status.</p>	X			July 1, 2024
<p>Disclosed Practice 8.2 – Marketplace Sellers</p>				
<p>State Guidance for Marketplace Sellers</p>				
<p>[Note: Most States enacted laws related to Marketplace Facilitators/Providers that resulted in a Marketplace Seller definition. A "Marketplace Seller" is generally a seller who sells products or services through a physical or electronic marketplace operated by a Marketplace Facilitator/Provider.]</p>				
<p>If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.</p>	<p>Does Your State Follow this Practice?</p>	<p>Statute/Rule Cite</p>	<p>Comment</p>	
<p>8.2.a - Does a State require a Marketplace Seller to register in the state when all sales are made through Marketplace Facilitators/Providers that are registered to collect and remit the tax on behalf of the Marketplace Sellers?</p>				
<p>8.2.a.i.</p> <p>The State requires a Marketplace Seller that is a "Remote Seller" that sells exclusively through Marketplace Facilitators/Providers to register with the State.</p>		X		<p>This answer assumes the marketplace facilitators are engaged in business in North Carolina.</p>
<p>8.2.a.ii.</p> <p>The State requires a Marketplace Seller <u>with a physical presence</u> (i.e., not a Remote Seller) that sells exclusively through Marketplace Facilitators/Providers to still register with the State.</p>		X		<p>This answer assumes the marketplace facilitators are engaged in business in North Carolina. Further, a marketplace seller is required to register to remit use tax on its purchases, as applicable</p>
<p>Disclosed Practice 8.2.b – Does the State require a Marketplace Seller to include its sales (dollars and transactions) made through a Marketplace Facilitator/Provider in determining if it meets or exceeds the State's economic nexus threshold?</p>				

<p>8.2.b.i.</p> <p>The State requires a Marketplace Seller to include its sales (dollars and transactions) made through a Marketplace Facilitator/Provider in determining if it meets or exceeds the state's economic nexus threshold. See Disclosed Practice 8.1.b. for which types of transactions must be included.</p>	<p>X</p>			
<p>Disclosed Practice 8.2.c – Does the State require a Marketplace Seller that is registered and filing in the State to include its marketplace sales in the total sales reported on its tax return and take a deduction as if the sales are exempt?</p>				
<p>8.2.c.i.</p> <p>The State requires a Marketplace Seller registered and filing in the State to include its sales through a Marketplace Facilitator/Provider on its tax returns. (If yes, explain in Comment column on how the deduction is claimed for such sales.)</p>	<p>X</p>			<p>The sales should be deducted on the Sales and Use Tax Form on Line 2, "Sales for Resale."</p>
<p>Disclosed Practice 8.2.d – Does the State require a Marketplace Seller to maintain exemption documentation only for its direct sales, and not for sales made through a Marketplace Facilitator/Provider?</p>				
<p>8.2.d.i.</p> <p>The State requires a Marketplace Seller to maintain exemption documentation only for its direct sales, and not for sales made through Marketplace Facilitators/Providers.</p>	<p>X</p>			<p>This answer assumes the marketplace facilitators are engaged in business in North Carolina.</p>
<p>Disclosed Practice 8.2.e – Does the State allow a Marketplace Seller to rely upon a customer's exemption documentation for its direct sales, even where the exemption documentation is maintained by a Marketplace Facilitator/Provider?</p>				
<p>8.2.e.i.</p> <p>The State allows a Marketplace Seller to rely upon a customer's exemption documentation for its direct sales even though that exemption documentation is maintained by a Marketplace Facilitator/Provider (e.g., Marketplace Seller has access to the Marketplace Facilitator's/Provider's exemption documentation).</p>		<p>X</p>		

Disclosed Practice 8.2.f – Can a Marketplace Seller that is not registered or not required to be registered in any State issue an exemption certificate to a Seller located in this State claiming sale for resale and can that Seller accept that exemption certificate?

<p>8.2.f.i</p> <p>A Marketplace Seller that is not registered or required to be registered in any State can issue an exemption certificate to a Seller located in this State claiming resale for those items the Marketplace Seller will resell and the Seller in this State may accept such exemption certificate.</p> <p>If yes, indicate in the Comment column what identification number, if any, the Marketplace Seller is required to put on the certificate.</p>		X	G.S. 105-164.28(a)	
<p>8.2.f.ii.</p> <p>A Marketplace Seller that is not registered or not required to be registered in this State purchasing items for resale from a third- party supplier (drop shipper) who will deliver the items to the Marketplace Seller’s customer located in this State can issue an exemption certificate claiming resale and the third-party supplier (drop shipper) can accept such exemption certificate. See SSUTA Sec. 317.A.8 for Drop Shipment requirements.</p> <p>If yes, indicate in the Comment column what identification number, if any, the Marketplace Seller is required to put on the certificate.</p>	X		G.S. 105-164.28(a)(4)	Federal Identification Number, or if no FEIN, enter personal driver's license number and the state from which it is issued.

Disclosed Practice 8.2.g - Marketplace Seller Liability and Audits

<p>8.2.g.i.</p> <p>A Marketplace Seller is liable for the tax on sales made through a Marketplace Facilitator/Provider if the Marketplace Seller provides incorrect or insufficient information. (Explain in Comment column if there are exceptions to this rule.)</p>	X		G.S. 105-164.4J(d)	The marketplace facilitator must demonstrate both: (1) the failure to collect the correct amount of tax was due to incorrect information given to the marketplace facilitator by the marketplace seller, and (2) the marketplace facilitator did not receive specific written advice from the Secretary for the transaction at issue.
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<p>8.2g.ii.</p> <p>The state has a written policy that explains when and how a Marketplace Seller is liable for tax and may be audited on sales made using Marketplace Facilitators/Providers (if yes, provide a reference to the location of the document in the Comment column).</p>		X	G.S. 105-164.4J(d)	The statute explains when a marketplace seller is liable for tax on marketplace-facilitated sales.
<p>Disclosed Practice 8.3 - Marketplace Facilitators/Providers</p>				
<p><u>State Guidance for Marketplace Facilitators/Providers</u></p>				
<p>Definition: For purposes of Disclosed Practice 8.3, a Marketplace Facilitator/Provider is generally a person who owns, operates or otherwise controls a physical or electronic marketplace and facilitates Marketplace Seller's sales that the Marketplace Facilitator/Provider either directly or indirectly through contracts, agreements, or other arrangements with third parties, collects the payment from the purchaser and transmits all or part of the payment to the Marketplace Seller.</p>				
<p>NCSL model definition of Marketplace Facilitator?</p> <p>(https:// www.streamlinedsalestax.org/docs/default-source/misc-published/ncsl-salt-model-marketplace-facilitator-legislation-6-2021.pdf? sfvrsn=2024eb8c_4)</p>				
<p>The State has adopted (and/or follows) the NCSL model definition of Marketplace Facilitator?</p>		X		
<p>Does Your State Follow this Practice? If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if desired.</p>	<p>Does Your State Follow this Practice?</p>		<p>Statute/Rule Cite</p>	<p>Comment</p>
<p>Disclosed Practice 8.3.a - Exceptions to Marketplace Facilitator/Provider Collection Requirements</p>				
<p>8.3.a.i.</p> <p>The State excludes a person as a Marketplace Facilitator/Provider if that person's sole activity with respect to the transaction with the Marketplace Seller is to provide payment processing services between the seller and purchaser.</p> <p>If the answer is no, please explain in the Comment column, including if the State's law is less restrictive, e.g., the payment processing activity is only the principal activity.</p>	X			

<p>8.3.a.ii.</p> <p>The State excludes from Marketplace Facilitator/Provider a person who only provides a platform for sellers to list items for sale and provides information that allows the buyer to contact the seller.</p> <p>However, the sales transaction and payment for the transaction occurs off the platform directly between the buyer and the seller.</p>	X			
<p>8.3.a.iii.</p> <p>The State excludes a person from being a Marketplace Facilitator/Provider if the person's participation is limited to listing items for sale and connecting purchasers to Sellers and the Marketplace Facilitator/Provider does not directly or indirectly enter into a contract, agreement, or other arrangement with an unaffiliated payment processor that is solely responsible for collecting funds from purchasers and disbursing those funds to Sellers.</p>		X	G.S. 105-164.3	See the definition of Marketplace Facilitator.
<p>8.3.a.iv.</p> <p>The State excludes from Marketplace Facilitator/Provider a person exclusively providing advertising services.</p>	X			
<p>8.3.a.v.</p> <p>The State excludes from Marketplace Facilitator/Provider a person that is registered with the Commodity Futures Trading Commission when using its platform services.</p>		X		
<p>8.3.a.vi.</p> <p>The State requires a Marketplace Facilitator/Provider to collect tax on all types of taxable products (e.g., tangible personal property, digital goods, or services).</p> <p>If no, please explain in Comment column which types of taxable product the Marketplace Facilitator/Provider is required to collect on.</p>	X			

<p>8.3.a.vii</p> <p>Does the State exclude certain types of transactions from Marketplace Facilitator/Provider sales and use tax collection or remittance requirements (e.g., prepared food/grocery delivery services, hotel or travel intermediaries, car rental services, etc.)? If “yes,” please indicate the exclusions in the Comment column.</p>		X	G.S. 105-164.4J(i)	In addition to marketplace facilitators subject to G.S. 105-164.4J, accommodation facilitators, admission facilitators, and service contract facilitators' specific collection and remittance requirements are set out in G.S. 105-164.4F, 105-164.4G, 105-164.4I, respectively.
<p>Disclosed Practice 8.3.b. - Marketplace Facilitator/Provider Notification Requirements</p>				
<p>8.3.b.i.</p> <p>The State requires a “Marketplace Facilitator/Provider” to provide notification or certification to its Marketplace Sellers that it is registered to collect and to remit the tax. (if yes, describe the method)</p>		X		
<p>8.3.b.ii.</p> <p>The State requires a “Marketplace Facilitator/Provider” to provide notification or certification to the state tax agency that it is registered to collect and remit the tax? (if yes, describe the method)</p>		X		
<p>8.3.b.iii.</p> <p>The State requires a “Marketplace Facilitator/Provider” to provide notification or certification to its Marketplace Sellers that it is no longer registered to collect and remit the tax as provided in 8.3.h. (If “yes,” describe the method in the Comment column).</p>		X		
<p>Disclosed Practice 8.3.c – Does your State’s Marketplace Facilitator/Provider law provide for a waiver of the Marketplace Facilitator/Provider registration, collection, and remittance requirement?</p>				
<p>8.3.c.i.</p> <p>The State allows for a waiver of registration, collection, and remittance by the Marketplace Facilitator/Provider if substantially all of its Marketplace Sellers are registered with the State to remit the tax.</p>		X		

<p>8.3.c.ii.</p> <p>The State allows a Marketplace Seller to continue to collect and remit the tax if mutually agreed to by the Marketplace Facilitator/Provider <u>and if it is approved</u> by the revenue/tax agency.</p>		X		
<p>8.3.c.iii.</p> <p>The State allows the Marketplace Seller to continue to remit the tax if mutually agreed to by the Marketplace Facilitator/Provider and the revenue/tax agency is notified. Indicate in the Comment column if any threshold requirements must be met before the Marketplace Seller can enter into such agreement .</p>		X		
<p>Disclosed Practice 8.3.d -Marketplace Facilitator/Provider Monetary Economic Nexus Threshold</p>				
<p>8.3.d.i.</p> <p>The State’s Marketplace Facilitator/Provider monetary economic nexus threshold and calculation is the same as Remote Sellers in Disclosed Practices 8.1.</p> <p>If different, answer “no” and indicate the monetary economic nexus threshold or calculation differences in the Comment column.</p>	X			
<p>Disclosed Practice 8.3.e – Marketplace Facilitator/Provider Transactional Economic Nexus Threshold</p>				
<p>8.3.e.i.</p> <p>The State’s Marketplace Facilitator/Provider transactional economic nexus threshold and calculation is the same as Remote Sellers in Disclosed Practices 8.1.</p> <p>If different, please answer “no” and indicate the transactional economic nexus threshold or calculation differences in the Comment column.</p>	X			
<p>Disclosed Practice 8.3.f – Marketplace Facilitator/Provider Economic Nexus Measurement Period</p>				

<p>8.3.f.i.</p> <p>The State's Marketplace Facilitator/Provider Economic Nexus Measurement Period is the same as Remote Sellers in Disclosed Practice 8.1.</p> <p>If different, please answer "no" and indicate measurement period in the Comment column.</p>	<p>X</p>			
<p>Disclosed Practice 8.3.g – Exceptions to Physical Presence</p>				
<p>8.3.g.i.</p> <p>A Marketplace Facilitator's/Provider's physical presence is based solely on its presence and not on the presence of a Marketplace Seller.</p>	<p>X</p>			
<p>8.3.g.ii</p> <p>A Marketplace Facilitator/Provider who is below the state's economic nexus threshold(s) is excluded from collecting and remitting the state's tax if the Marketplace Facilitator/Provider only has employees located in the state that are not engaged in making sales (if applicable, please indicate any exceptions).</p>		<p>X</p>		
<p>Disclosed Practice 8.3.h. – When is a Marketplace Facilitator/Provider that falls below a state's economic nexus threshold allowed to stop collecting and remitting the applicable tax?</p>				
<p>8.3.h.i.</p> <p>The State allows a Marketplace Facilitator/Provider who falls below its Marketplace Facilitator/Provider economic nexus threshold during the measurement period to cancel its registration or request inactive status in the same manner as a Remote Seller in Disclosed Practice 8.1.</p> <p>If different, please answer "no" and indicate differences in the Comment column.</p>	<p>X</p>			
<p>Disclosed Practice 8.3.i. - What Type of Permit Does a Marketplace Facilitator/Provider Apply For?</p>				

<p>8.3.i.i.</p> <p>The State's registration requirement for a Marketplace Facilitator/Provider is the same as Remote Sellers in Disclosed Practice 8.1. If different, please answer "no" and indicate type of registration in the Comment column.</p>	<p>X</p>			
<p>Disclosed Practice 8.3.j. – What are the Registration and Reporting requirements for a Marketplace Facilitator/Provider?</p>				
<p>8.3.j.i.</p> <p>A Marketplace Facilitator/Provider is only permitted to obtain a single registration and file a single return covering its own sales and those made on behalf of its Marketplace Sellers.</p>		<p>X</p>		
<p>8.3.j.ii.</p> <p>A Marketplace Facilitator/Provider is permitted to register and file separate returns for its own sales and those made on behalf of Marketplace Sellers.</p>	<p>X</p>			
<p>8.3.j.iii.</p> <p>Were the answers to 8.3.j.i and 8.3.j.ii both "no"?</p> <p>If so, explain in the comment column the registration and filing requirements for a Marketplace Facilitator/Provider.</p>		<p>X</p>		
<p>Disclosed Practice 8.3.k. – Voluntary Registration as a Marketplace Facilitator/Provider</p>				
<p>8.3.k.i.</p> <p>The State allows a person that does not meet the State's definition of Marketplace Facilitator/Provider to voluntarily register to collect and remit the tax on behalf of its third-party sellers.</p>		<p>X</p>		

<p>8.3.k.ii.</p> <p>Will the State enter into an agreement that provides authority for a person to voluntarily register as a Marketplace Facilitator/Provider to collect and remit the tax on behalf of third- party sellers and have the same obligations, rights and protections as a “Marketplace Facilitator/Provider”?</p> <p>(Note: If a written agreement is required, provide requirements in the Comment column.)</p>	X		G.S. 105-164.4J(k)	The Secretary must find it is necessary for the efficient administration of the sales and use tax. If a taxpayer wants to enter into an agreement they must request and be approved to enter into a written agreement.
<p>Disclosed Practice 8.3.I. - Marketplace Facilitator/Provider Treatment as a Seller – A Marketplace Facilitator/Provider is treated as the seller for the following:</p>				
<p>8.3.l.i.</p> <p>Refunds – The State allows Marketplace Facilitator/Provider to request a refund from the state in same manner as a seller/retailer.</p>	X			
<p>8.3.l.ii.</p> <p>Vendor discounts - The State applies timely filing/payment discounts/vendor allowances to Marketplace Facilitators/Providers in same manner as a seller/retailer.</p>		X		North Carolina does not allow timely filing/payment discounts/vendor allowances.
<p>8.3.l.iii.</p> <p>Exemption Documentation – The State allows sales made by Marketplace Facilitator/Provider to be exempt based on the Marketplace Facilitator/Provider having access to exemption documentation that is maintained by either the Marketplace Facilitator/Provider or Marketplace Seller.</p>		X		The marketplace facilitator must maintain exemption documentation.
<p>8.3.l.iv.</p> <p>Coupons – The State allows coupons, whether issued by a Marketplace Facilitator/Provider or a Marketplace Seller to be deemed to be a retailer’s coupon/discount. (If “no,” indicate in Comment column how such coupons are treated.)</p>	X			

<p>8.3.l.v.</p> <p>Bad Debts – The State allows a sales/use tax bad debt deduction based on the party that is able to claim the federal tax deduction under IRC 166, regardless of which party remitted the sales tax. (If “no”, indicate in the Comment column such restrictions.)</p>		X		<p>The retailer for the transaction must be the holder of the bad debt and entitled to charge off the worthless account for income tax purposes. See <i>Home Depot U.S.A., Inc., v. N.C. Dept of Rev.</i>, 2015 NCBC 100 (2015)</p>
<p>Disclosed Practice 8.3.m. - Shifting of Liability to Marketplace Seller</p>				
<p>8.3.m.i.</p> <p>A Marketplace Facilitator/Provider is liable for the tax unless a Marketplace Seller provided incorrect or insufficient information.</p>		X		<p>A marketplace facilitator is liable unless it demonstrates both: (1) the failure to collect the correct amount of tax was due to incorrect information given to the marketplace facilitator by the marketplace seller, and (2) the marketplace facilitator did not receive specific written advice from the Secretary for the transaction at issue.</p>
<p>8.3.m.ii.</p> <p>The State has a written policy on what reasonable steps a Marketplace Facilitator/Provider must take to obtain correct and sufficient information from a Marketplace Seller to shift the liability of the tax to the Marketplace Seller (If “yes,” please reference location of the document in the Comment column).</p>		X		
<p>Disclosed Practice 8.3.n. – Marketplace Facilitator/Provider absolved of tax, penalty and interest.</p>				
<p>8.3.n.i.</p> <p>The State absolves a Marketplace Facilitator/Provider of tax, penalty and interest if it can show that a Marketplace Seller or the purchaser already paid the tax on the transaction.</p>		X		
<p>Disclosed Practice 8.3.o. – Is the Marketplace Facilitator/Provider Required to Collect Non-Sales/Use Taxes and Fees?</p>				

<p>8.3.o.i.</p> <p>The State requires a Marketplace Facilitator/Provider to collect and remit other taxes and fees that are also directly imposed on the consumer at the time of the sale. (If yes, please provide the taxes and fees in the Comment column along with legal authority.)</p>	X		Chapter 105, Articles 5B, 5C, 5D, 5G, 5H.	Scrap tire disposal tax, white goods disposal tax, dry-cleaning solvent tax, 911 service charge for prepaid wireless communications service, and any other types of taxes that may be due in North Carolina.
<p>8.3.o.ii.</p> <p>The State requires a Marketplace Facilitator/Provider to collect and remit other taxes and fees that are not directly imposed on the consumer at the time of the sale. (If yes, please provide taxes and fees in the Comment column along with legal authority.)</p>		X		
<p>Disclosed 8.3.q. If your state has eliminated the transactional economic nexus threshold, what is the earliest date a marketplace facilitator/provider who does not meet or exceed your monetary economic nexus threshold but had met the transactional economic nexus threshold in the measurement period may cancel their registration?</p> <p>States that have never had a transactional economic nexus threshold do not answer DP 8.3.q.</p>				
<p>8.3.q.i.</p> <p>Has your state eliminated its transactional economic nexus threshold?</p> <p>If yes, indicate in the Comments column the effective date.</p>	X			July 1, 2024
<p>8.3.q.ii.</p> <p>The State allows a marketplace facilitator/provider who does not meet or exceed the monetary economic nexus threshold but had met the transactional economic nexus threshold in the measurement period prior to its elimination, to cancel its registration or request inactive status in the same manner as a remote seller in Disclosed Practice 8.1.</p> <p>If different, please answer “no” and indicate difference in the Comment column.</p>	X			July 1, 2024
<p>Disclosed Practice 8.3.p. – Class Action Lawsuits</p>				

<p>8.3.p.i.</p> <p>Did the State enact class action protections for Marketplace Facilitators/Providers separate from what the State is required to provide for all sellers based on Section 325 of the SSUTA/Agreement?</p> <p>If yes, provide the statutory reference in the Comment column.</p> <p>(Note: Indicate in the Comment column if this also applies to Marketplace Sellers.)</p>	X		G.S. 105-164.4J(f)	The statute only applies to Marketplace Facilitators, not Marketplace sellers.
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Disclosed Practice 9 - Exemptions

NOTE: Additional explanatory information and examples can be found in Appendix E of the SSUTA.

These tax administration practices address how a member state administers exemptions that appear on the SST exemption certificate when the transaction is sourced to the state. Not all states allow all of the exemptions listed on the SST exemption certificate. In addition, some exemptions may have limitations or be limited in some manner.

The phrase "exemption certificate" includes both paper exemption certificates and the capture of the required data elements.

Sellers are not required to validate a purchaser's ID number or to know whether a purchaser is required to be registered in a state.

Purchasers may be held liable for the tax, interest, and penalties on a transaction if the purchaser improperly issues an exemption certificate to the seller.

Unless otherwise noted, States should respond to every disclosed practice question/statement. A state is not required to answer a question if that question is the subject of ongoing litigation in the state. States should provide links to statutes, regulations or published guidance addressing any limitations to an exemption.

If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your State's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
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Disclosed Practice 9.1 – General – Seller Requirements - SSUTA Sec. 317 provides the following specific practices that apply to the administration of exemptions and exemption certificates.

<p>9.1.A.</p> <p>Member states are asked to affirm that they comply with the following requirements. Does your state comply with all the following requirements? If no, indicate in the Comment column.</p>				
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<p>9.1.A.i.</p> <p>The seller is not required to verify the purchaser's ID number or determine the purchaser's registration requirements. (SSUTA Rule 317.A.6.g)</p>	<p>X</p>		<p>G.S. 105-164.28</p>	
<p>9.1.A.ii.</p> <p>The seller is required to maintain proper records of exempt transactions and provide those records to the state when requested in the form in which it is maintained. Those records may be provided in paper or electronic format. (SSUTA Sec. 317.A.6)</p>	<p>X</p>		<p>G.S. 105-164.28, 105-164.22</p>	
<p>9.1.A.iii.</p> <p>A seller may not accept an exemption certificate for an entity-based exemption on a sale if the subject of the transaction is actually received by the purchaser at a location operated by the seller within the designated state if the state does not allow such an entity-based exemption. (SSUTA Sec. 317.B)</p>	<p>X</p>			
<p>9.1.A.iv.</p> <p>A drop shipper may accept an ID number to claim the resale exemption as provided below in the Purchaser's Requirements. The ID number may include an ID number issued by another state. This may result in the same ID number being listed for more than one state. (SSUTA § 317.A.8)</p>	<p>X</p>			
<p>9.1.B.</p> <p>Your state requires a seller to renew blanket exemption certificates if more than 12 months elapses between transactions.</p> <p>If no, indicate in the Comment column the period the certificate remains valid.</p>	<p>X</p>			

<p>9.1.C.</p> <p>A seller is required to obtain the exemption certificate at the time of sale or within 90 days of the sale to receive liability relief provided in Section 317.C. of the SSUTA. (SSUTA Sec. 317.C)</p> <p>If the period allowed is longer than within 90 days of the sale, indicate in the Comment column the acceptable period of time to obtain an exemption certificate.</p>	X		G.S. 105-164.28	
Disclosed Practice 9.2 – Purchaser Requirements				
Disclosed Practice 9.2.A. – Sales for Resale ID number Requirements, including drop shipments (Sellers – see Seller Requirements in 9.1)				
<p>9.2.A.1.i.</p> <p>Your state requires a purchaser that is required to be registered to collect sales and use tax in your state to include your state’s state-issued sales tax or resale number on an exemption certificate it provides to its seller to claim an exemption from sales/use tax when purchasing for resale.</p>	X		G.S. 105-164.28	This includes a Streamlined Sales Tax Registration Number assigned when registering through Streamlined Sales Tax.
<p>9.2.A.1.ii. Indicate below if your state accepts the following ID numbers for a purchaser that is not required to be registered to collect sales and use tax in your state on an exemption certificate it provides to its seller to claim an exemption from sales/use tax when purchasing for resale.</p> <p>Note: If accepted but not required, note in the Comment column.</p>				
<p>9.2.A.1.ii.a.</p> <p>A business registration number issued by your state, other than a sales tax or resale number.</p>		X	G.S. 105-164.28	Except for drop shipments, a purchaser must provide a certificate of registration number for a purchase for resale.
<p>9.2.A.1.ii.b.</p> <p>If the purchaser does not have a business registration number issued by your state, then a state-issued sales tax or resale number from any state.</p>	X		G.S. 105-164.28	

<p>9.2.A.1.ii.c.</p> <p>If the purchaser does not have a business registration number issued by any state, then a U.S. Federal Employer ID number (FEIN).</p>		X		<p>Except for drop shipments, a purchaser must provide a certificate of registration number for a purchase for resale.</p>
<p>9.2.A.1.ii.d.</p> <p>If the purchaser does not have a state issued sales tax or resale number from any state, a business registration number issued by any state, other than a sales tax or resale number.</p>		X		<p>Except for drop shipments, a purchaser must provide a certificate of registration number for a purchase for resale.</p>
<p>9.2.A.1.ii.e.</p> <p>If the purchaser is not required to be registered and does not have the ID number in a through d above, then a state issued driver's license number.</p>		X		<p>Except for drop shipments, a purchaser must provide a certificate of registration number for a purchase for resale.</p>
<p>9.2.A.1.ii.f.</p> <p>If your state accepts any other ID number, indicate in the Comment column the type of number it accepts and when it can be used.</p>				
<p>9.2.A.1.ii.g.</p> <p>If a foreign purchaser does not have any of the ID numbers identified above, does your state accept the tax ID number issued by the foreign country (e.g., VAT) on purchases for resale?</p>		X		<p>Except for drop shipments, a purchaser must provide a certificate of registration number for a purchase for resale.</p>
<p>9.2.A.1.ii.h.</p> <p>Does your state require an ID number when claiming an exemption for resale if the purchaser does not have any ID number listed in 9.2.A.1.ii.a. through 9.2.A.1.ii.g.?</p>	X			<p>Except for drop shipments, a purchaser must provide a certificate of registration number for a purchase for resale.</p>
<p>9.2.B. – Direct Sales to the Federal Government (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with the Federal Government)</p>				

<p>9.2.B.1.</p> <p>Does your state have a statutory exemption, which may be limited, for direct sales to the Federal Government (including transactions with payment by government credit cards that are paid direct by the government)?</p>	X		G.S. 105-164.13(17)	See Sales and Use Tax Bulletin 36.
<p>9.2.B.2.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption as the Federal Government?</p> <p>If yes, enter documentation required in the Comment column.</p>	X			The U.S. Government must provide any of the following: (1) a properly completed exemption certificate, (2) purchase requisitions or affidavits signed by a purchasing officer stating that such purchase is being made directly to the U.S. Government, or (3) applicable credit cards issued by the U.S. Government.
<p>9.2.B.3.</p> <p>Is the name of the federal agency making the purchase required?</p>	X			
<p>9.2.C. – Direct Sales to Your State Government (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with your State Government)</p>				
<p>9.2.C.1.</p> <p>Does your State have a statutory exemption, which may be limited, for sales to your State or State agencies from your state?</p> <p>If no, go to 9.2.D.</p>	X		G.S. 105-163.13(40), (52)	
<p>9.2.C.2.</p> <p>Is the State or State agency required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (State or State agency contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>	X		G.S. 105-164.29A	The State or State agency must provide the State issued exemption number.

<p>9.2.C.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption as your State?</p> <p>If yes, enter documentation required in the Comment column.</p>	X			<p>N.C. State Government must provide any of the following: (1) a properly completed exemption certificate, (2) a purchase order issued by the State agency that contains its exemption number and a description of the property purchased, or (3) the items must be paid for with a North Carolina State-issued check, electronic deposit, credit card, procurement card, or credit account of the N.C. State Government and the seller must have the N.C. State agency's exemption number on file.</p>
<p>9.2.D. – Direct Sales to a Local Government located in your state (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with a Local Government located in your state)</p>				
<p>9.2.D.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales to a Local Government located in your state?</p> <p>If no, go to 9.2.E.</p>		X		
<p>9.2.D.2.</p> <p>Is the Local Government required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (Local Government contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>				
<p>9.2.D.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption as a Local Government located in your state?</p> <p>If yes, enter documentation required in the Comment column.</p>				

9.2.E. – Direct Sales to State Government located in another state (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with State Government from other states)

<p>9.2.E.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales to a State Government from another state?</p> <p>If no, go to 9.2.F.</p>		X		
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<p>9.2.E.2.</p> <p>Is the State Government from the other state required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (Other State contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>				
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<p>9.2.E.3.</p> <p>Is an exemption certificate or other documentation required when purchaser is claiming exemption as a State from another state?</p> <p>If yes, enter documentation required in the Comment column.</p>				
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9.2.F. – Direct Sales to a Local Government located in another state(See 9.2.L and M for information on sales to contractors and other third parties who have contracts with the Local Government from another state)

<p>9.2.F.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales to a Local Government located in another state?</p> <p>If no, go to 9.2.G.</p>		X		
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<p>9.2.F.2.</p> <p>Is the Local Government located in another state required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (Local Government contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>				
<p>9.2.F.3.</p> <p>Is an exemption certificate or other documentation required when purchaser is claiming exemption as a Local Government located in another state?</p> <p>If yes, enter documentation required in the Comment column.</p>				
<p>9.2.G. – Direct Sales to Tribal Governments or Entities (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with the Tribal Governments)</p>				
<p>9.2.G.1.</p> <p>Does your state's sales tax agency have published guidance for the treatment of sales to Tribal Governments, Tribal Entities or Tribal members?</p> <p>If yes, provide links to any published guidance in the Comment column.</p>	X		G.S. 105-164.13(17)	See Sales and Use Tax Bulletin 17.
<p>9.2.H. – Sales to Foreign Diplomats</p>				
<p>9.2.H.1</p> <p>Does your state's sales tax agency have published guidance for any exemptions, which may be limited, for sales to a Foreign Diplomat?</p>	X			See Sales and Use Tax Bulletin Section 36-4.

<p>9.2.H.2</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption as a Foreign Diplomat?</p> <p>If yes, enter documentation required and the acceptable ID numbers in the Comment column.</p>	X			See Sales and Use Tax Bulletin Section 36-4.
<p>9.2.I. – Direct Sales to Charitable Organizations (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with a Charitable Organization)</p>				
<p>9.2.I.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales to Charitable Organizations?</p> <p>If no, go to 9.2.J.</p>		X		
<p>9.2.I.2.</p> <p>Is the Charitable Organization required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (Charitable Organization contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>				
<p>9.2.I.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption as a Charitable Organization?</p> <p>If yes, enter documentation required in the Comment column.</p>				

<p>9.2.I.4.</p> <p>Is your state's own state-issued exemption ID number required when claiming exemption as a Charitable Organization?</p> <p>If no, indicate in the Comment column which ID numbers are acceptable.</p>				
<p>9.2.I.5.</p> <p>Does your state's exemption for sales to Charitable Organizations apply to Charitable Organizations located in another state?</p> <p>If no go to 9.2.J.</p>				
<p>9.2.I.6.</p> <p>Does your state have different requirements for claiming an exemption as a Charitable Organization located in your state than a Charitable Organization located in another state?</p> <p>If yes, indicate the differences in the Comment column.</p>				
<p>9.2.J. – Direct Sales to Religious Organizations (See 9.2.I.L and M for information on sales to contractors and other third parties who have contracts with a Religious Organization)</p>				
<p>9.2.J.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales to a Religious Organization?</p> <p>If no, go to 9.2.K.</p>		<p>X</p>		

<p>9.2.J.2.</p> <p>Is the Religious Organization required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (Religious Organization contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>				
<p>9.2.J.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption as a Religious Organization?</p> <p>If yes, enter documentation required in the Comment column.</p>				
<p>9.2.J.4.</p> <p>Is your state's own state-issued exemption ID number required when claiming exemption as a Religious Organization?</p> <p>If no, the state should indicate the documentation required in the Comment column.</p>				
<p>9.2.J.5.</p> <p>Does your state's exemption for sales to Religious Organizations apply to Religious Organizations located in another state?</p> <p>If no go to 9.2.K.</p>				

<p>9.2.J.6.</p> <p>Does your state have different requirements for claiming an exemption as a Religious Organization located in your state than as a Religious Organization located in another state?</p> <p>If yes, indicate the differences in the Comment column.</p>				
<p>9.2.K. – Direct Sales to Educational Organizations (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with an Educational Organization)</p>				
<p>9.2.K.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales to an Educational Organization?</p> <p>If no, go to 9.2.L.</p>		<p>X</p>		
<p>9.2.K.2.</p> <p>Is the Educational Organization required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (Educational Organization contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>				
<p>9.2.K.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption as an Educational Organization?</p> <p>If yes, enter documentation required in the Comment column.</p>				

<p>9.2.K.4.</p> <p>Is your state's own state-issued exemption ID number required when claiming exemption as an Educational Organization?</p> <p>If no, the state should indicate the documentation required in the Comment column.</p>				
<p>9.2.K.5.</p> <p>Does your state's exemption for sales to Educational Organizations apply to Educational Organizations located in another state?</p> <p>If no go to 9.2.L.</p>				
<p>9.2.K.6.</p> <p>Does your state have different requirements for claiming an exemption as an Educational Organization located in your state than as an Educational Organization located in another state?</p> <p>If yes, indicate the differences in the Comment column.</p>				
<p>9.2.L. – Sales to Construction Contractors for sales of construction materials incorporated into real property construction activities for the specified organizations. This does not include sales for resale. (see below)</p>				
<p>9.2.L.1.</p> <p>Does your state have a statutory exemption or published guidance, which may be limited, for sales to construction contractors for construction materials incorporated into real property by that contractor for the following entities?</p> <p>If yes, indicate any documentation required or provide a link to the published guidance in the Comment column.</p> <p>If no, go to 9.2.M.</p>		<p>X</p>		
<p>9.2.L.1.i.</p> <p>Federal Government</p>				<p>See Sales and Use Tax Bulletin Section 36-3.</p>

9.2.L.1.ii. State Government located in your State				
9.2.L.1.iii. State Government located in other States				
9.2.L.1.iv. Local Government located in your State				
9.2.L.1.v. Local Government located in other States				
9.2.L.1.vi. Tribal Governments, Tribal entities or Tribal members				Some exemptions may apply. See Sales and Use Tax Bulletin Section 17-3.
9.2.L.1.vii. Charitable Organizations located in your State				
9.2.L.1.viii. Charitable Organizations located in other States				
9.2.L.1.ix. Religious Organizations located in your State				
9.2.L.1.x. Religious Organizations located in other States				
9.2.L.1.xi. Educational Organizations located in your State				
9.2.L.1.xii. Educational Organizations located in other States				

9.2.M. – Sales to third parties who are providing services or performing contracts not related to real property.

<p>9.2.M.1.</p> <p>Does your state have a statutory exemption or published guidance, which may be limited, for sales to third parties who are providing services or performing contracts not related to real property for the following entities?</p> <p>If yes, indicate any documentation required or provide a link to the published guidance in the Comment column.</p> <p>If no, go to 9.2.N.</p>		X		
<p>9.2.M.1.i.</p> <p>Federal Government</p>				See Sales and Use Tax Bulletin Section 36-3.
<p>9.2.M.1.ii.</p> <p>State Government located in your State</p>				
<p>9.2.M.1.iii.</p> <p>State Government located in other States</p>				
<p>9.2.M.1.iv.</p> <p>Local Government located in your State</p>				
<p>9.2.M.1.v.</p> <p>Local Government located in other States</p>				
<p>9.2.M.1.vi.</p> <p>Tribal Governments, Tribal entities or Tribal members</p>				Some exemptions may apply. See Sales and Use Tax Bulletin Section 17-3.
<p>9.2.M.1.vii.</p> <p>Charitable Organizations located in your State</p>				
<p>9.2.M.1.viii.</p> <p>Charitable Organizations located in other States</p>				

9.2.M.1.ix. Religious Organizations located in your State				
9.2.M.1.x. Religious Organizations located in other States				
9.2.M.1.xi. Educational Organizations located in your State				
9.2.M.1.xii. Educational Organizations located in other States				
9.2.N. – Sales of Products used in Agricultural Production				
9.2.N.1. Does your state have a statutory exemption, which may be limited, for products used in Agricultural Production? If yes, provide link to any published guidance issued by your state's sales tax agency for the treatment of any published guidance sales of products used in Agricultural Production in the Comment column? If no, go to 9.2.O.	X		G.S. 105-164.13E	See Sales and Use Tax Bulletin 27.
9.2.N.2. Is the purchaser required to apply for an exemption number from your state in order to claim the Agricultural Production exemption? · Yes (purchaser contacts state to apply for an exemption number) · No (exemption applies, does not require state approval) If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.	X		G.S. 105-164.28A, 105-164.13E	The State issued exemption number is required to be provided to the seller.

<p>9.2.N.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption for Agricultural Production?</p> <p>If yes, enter documentation required in the Comment column.</p>	<p>X</p>			<p>A purchaser must provide a properly completed exemption certificate containing the required data elements as provided in G.S. 105-164.28.</p>
<p>9.2.N.4.</p> <p>Does your state's Agricultural Production Exemption apply to Agricultural Production Entities located in another state?</p>	<p>X</p>			
<p>9.2.N.5.</p> <p>Is your state's own state-issued exemption ID number required when claiming exemption for Agricultural Production?</p> <p>If no, indicate in the Comment column which ID numbers are acceptable.</p>	<p>X</p>			
<p>9.2.N.6.</p> <p>Does your state have different requirements for claiming an Agricultural Production exemption by a purchaser located in your state than by a purchaser located in another state?</p> <p>If yes, indicate the differences in the Comment column.</p>		<p>X</p>		
<p>9.2.O. – Sales of products used in Industrial Production/Manufacturing</p>				
<p>9.2.O.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales of products used in Industrial Production/Manufacturing?</p> <p>If no, go to 9.2.P.</p>	<p>X</p>		<p>G.S. 105-164.13(4), (5), (5e) - (5q), (8), (8a), (10a), (32), (57), & (61a)</p>	<p>See Sales and Use Tax Bulletins 57 and 58.</p>

<p>9.2.0.2.</p> <p>Is the purchaser required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (purchaser contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>		X		
<p>9.2.0.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption for sales of products used in Industrial Production/Manufacturing?</p> <p>If yes, enter documentation required in the Comment column.</p>	X			A purchaser must provide a properly completed exemption certificate to the seller.
<p>9.2.0.4.</p> <p>Does your state's Industrial Production/ Manufacturing Exemption apply to Industrial Production/Manufacturing Entities located in another state?</p>	X			
<p>9.2.0.5.</p> <p>Is your state's own state-issued exemption ID number required when claiming exemption for Industrial Production/Manufacturing?</p> <p>If no, the state should indicate in the Comment column which ID numbers are acceptable.</p>		X		A purchaser must provide their certificate of registration number.

<p>9.2.O.6.</p> <p>Does your state have different requirements for claiming an Industrial Production/ Manufacturing exemption by a purchaser located in your state than by a purchaser located in another state?</p> <p>If yes, indicate the differences in the Comment column.</p>		X		
<p>9.2.P. – Sales of Direct Mail</p>				
<p>9.2.P.1.</p> <p>Does your state allow the purchaser to claim direct mail and assume responsibility for directly reporting tax to the appropriate taxing jurisdictions?</p> <p>If no, go to 9.2.Q.</p>	X		G.S. 105-164.27A(a1)	See Sales and Use Tax Bulletin Sections 24-6 and 68-5.
<p>9.2.P.2.</p> <p>Is an exemption certificate or other documentation required when a purchaser claims direct pay responsibility for Direct Mail?</p> <p>If yes, enter documentation required in the Comment column.</p>	X			A purchaser must provide either a completed exemption certificate containing the State issued direct pay permit number or a copy of the direct pay permit containing the direct pay permit number to the seller.
<p>9.2.P.3.</p> <p>Does your state require an ID number when the purchaser is claiming Direct Mail and assuming the responsibility for directly reporting tax to the appropriate jurisdiction?</p> <p>If no, go to 9.2.Q.</p>	X			
<p>9.2.P.4.</p> <p>Is your state's own state-issued ID number required when the purchaser is claiming Direct Mail and assuming the responsibility for directly reporting tax to the appropriate jurisdiction.</p> <p>If no, indicate in the Comment column which ID numbers are acceptable.</p>	X			

9.2.Q. – Direct Pay Permit

9.2.Q.1. Does your state authorize direct pay permits? (SSUTA Sec. 326)	X		G.S. 105-164.27A	
9.2.Q.2. Is an exemption certificate, direct pay permit or other documentation required when Direct Pay Permit holder is claiming Direct Pay authority? If yes, enter documentation required in the Comment column.	X			A purchaser must provide either a completed exemption certificate containing the State issued direct pay permit number or a copy of the direct pay permit containing the direct pay permit number to the seller.
9.2.Q.3. Does the state require an ID number when the Direct Pay Permit holder is claiming Direct Pay authority?	X			
9.2.Q.4. Is the state's own state-issued exemption ID number required when the Direct Pay Permit holder is claiming Direct Pay authority? If no, indicate in the Comment column which ID numbers are acceptable.	X			

North Carolina Taxability Matrix: Tax Administration Practices

v2024.0 *Publish Date: July 25, 2024 at 02:36:05 PM*

v2024

Effective Date: 07/01/2024

Completed by: Brooks Hemphill

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Date Revised: 07/24/2024

Changes were made to the following areas of this document (indicated by a "✓"):

Taxability Treatment

Definition Treatment

Statute/Rule Cite Reference

Comments

Date Revised

Reference Number of changed items (may include a brief description of the change):

Updated answers to reflect repeal of transactional nexus threshold effective July 1, 2024. Updated link for POA information in Reference # 4.2. Completed Disclosed Practices 8.1.n., 8.1.o., & 8.3.q.

Each Tax Administration Practice is in the Library of Tax Administration Practices in the [Streamlined Sales and Use Tax Agreement](#)

[\(SSUTA\)](#) as amended through May 16, 2024. See Appendix E of the SSUTA for additional explanations and examples related to the Tax Administration Practices".

"Tax Administration Practices" indicates which administrative practices the state follows and provides an explanation of the state's practice if it does not follow a listed practice.

To the extent possible under each state's laws, sellers and CSPs are relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales and use tax resulting from the seller or certified service provider relying on erroneous data provided by the member state relative to the tax administration practices.

To the extent possible under each state's laws, sellers and CSPs are also relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales and use tax until the first day of the calendar month that is at least 30 days after notice of a change to the state's "Taxability Matrix: Tax Administration Practice" is submitted to the governing board, provided the seller or CSP relied on the prior version of the Taxability Matrix.

As of June 2021 the Taxability Matrix was separated into two documents: Taxability Matrix: Library of Definitions (previously Section 1) and Taxability Matrix: Tax Administration Practices (previously Section 2).

Tax Administration Practices from Appendix E of the SSUTA
Disclosed Practice 1 - Vouchers

Voucher Definition: As used herein, a voucher is an instrument that is:

- a. issued to a purchaser for an amount that is less than the face value and both the face value and amount paid by the purchaser are noted on the voucher;
- b. redeemable for personal property or services in a single visit only at the seller's business;
- c. redeemable either for a specific product or for a certain dollar amount towards the purchase price of any product sold by the seller;
- d. issued, marketed, or distributed by a third party pursuant to a specific agreement with the seller, and the seller determines the price at which the voucher is to be issued and allows redemption of the specific voucher for personal property or services ("third party agreement");
- e. not a digital code as defined by the Agreement or its Rules;
- f. not a ticket for an admission to a specific performance or event on a specific date and time;
- g. not a gift card or gift certificate nor is it convertible, in whole or in part, to gift cards, gift certificates or cash;
- h. not usable in combination with other promotions or coupons offered by the seller; and
- i. not a prepaid calling service or a prepaid wireless calling service.

Vouchers may be provided to purchasers in the form of an electronic instrument that is scanned by the seller from the purchaser's electronic device.

		Statute/Rule Cite	Comment
The definition of "voucher" is for the purposes of responding to Disclosed Practice 1. See comments for state comments pertaining to this definition.			
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
1.1 The member state administers the difference between the value of a voucher allowed by the seller and the amount the purchaser paid for the voucher as a discount that is not included in the sales price (i.e., same treatment as a seller's in-store coupon), provided the seller is not reimbursed by a third party, in money or otherwise, for some or all of that difference.	Yes		

1.2 The member state provides that when the discount on a voucher will be fully reimbursed by a third party the seller is to use the face value of the voucher (i.e., same as the treatment of a manufacturer's coupon) and not the price paid by the purchaser as the measure (sales price) that is subject to tax.	Yes		
1.3 The member state provides that costs and expenses of the seller are not deductible from the sales price and are included in the measure (sales price) that is subject to tax. Further, reductions in the amount of consideration received by the seller from the third party that issued, marketed, or distributed the vouchers, such as advertising or marketing expenses, are costs or expenses of the seller.	Yes		
Disclosed Practice 2 - Credits			
Definition: "Tax Paid" means the tax that was (1) paid and (2) previously due from either the seller or the purchaser when the sale of that product is taxable in that state and it was properly sourced based on that state's sourcing rules. "Tax paid" includes tax that was (1) paid and (2) previously due from the purchaser (or seller, if applicable) because the purchaser moved the product to a different jurisdiction. "Tax paid" does not include the portion of tax paid that is currently eligible for a credit or refund or tax paid that is eligible for refund under a tax-incentive program or agreement.			
		Statute/Rule Cite	Comment
The definition of "tax paid" is for the purposes of responding to Disclosed Practice 2. See comments for state comments pertaining to this definition.			
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
2.1 Credit Against Use Tax			
2.1 The State imposing tax on the purchaser provides credit for "sales or use taxes paid" on a product against the state's use tax.	Yes	G.S. 105-164.6(c)(1)	Credit is allowed for sales or use tax due and paid to another state.
2.2 Credit Against Sales Tax			

2.2 The State imposing tax provides credit for the "sales or use taxes paid" on a product against the state's sales tax.	No		Credit is allowed against sales tax due in situations where a taxpayer treats a transaction as subject to use tax in error and accrues and pays tax to the State. Additionally, credit is allowed in audit situations as noted per Reference Number - Credits 2.12.
2.3 Reciprocity			
2.3.a The credit the State provides in 2.1 and 2.2 applies regardless of whether another state provides a reciprocal credit.	No	G.S. 105-164.6(c)(2)	No credit allowed for tax paid to a state that does not grant a similar credit. Credit only allowed against use tax due for sales tax properly paid to another state.
2.3.b. The credit the State provides in 2.1 and 2.2 only applies when the other state where the tax was paid provides a reciprocal credit.	No	G.S. 105-164.6(c)(2)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.4 State and Local Sales and Use "Tax Paid"			
2.4.a. The credit provided for in 2.1 and 2.2 is for the combined amount of state and local "tax paid" to another state or local jurisdiction against both the state and local taxes due to the State.	No		
2.4.b. The credit provided for in 2.1 and 2.2 is for only the state "tax paid" to another state against the taxes due to the State (i.e., no credit for local tax against state tax). If the State has local sales or use taxes, it only provides credit for state tax against state tax and local tax against local tax.	Yes	G.S. 105-164.4, 105-164.6, 105-467, 105-468, 105-483, 105-498, 105-537	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.5 Credit for "Similar Tax" Paid to Another Jurisdiction			
2.5 The credit provided for in 2.1 and 2.2 includes "similar taxes" that were (1) paid and (2) previously due to another state or local jurisdiction against the sales or use taxes due. If applicable, list below all known similar or like taxes the State provides credit for even if such tax does not meet the definition of a "similar tax."	Yes	G.S. 105-187.3, 105-187.5, 105-187.7, 105-187.16, 105-187.17, 105-187.21, 105-187.22	Taxes due and payable under G.S. 105-187.3 are payable to the NC Division of Motor Vehicles at the time of titling and such are not administered by the Department of Revenue.
2.6. Credit Against "Similar Tax" Imposed by the State			

2.6 The credit provided for in 2.1 and 2.2 includes "sales or use taxes paid" to another state or local jurisdiction against "similar taxes" due. If applicable, list below "similar taxes" imposed that the State provides credits against.	No	G.S. 105-187.3, 105-187.5, 105-187.7, 105-187.16, 105-187.17, 105-187.21, 105-187.22	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.7 Sourcing when Receipt Location is Known			
2.7 The credit provided for in 2.1 and 2.2 applies when the other state's "sales or use taxes" were (1) paid and (2) previously due based on: i) that other state's sourcing rules, or ii) the purchaser's location of use of a product subsequent to the initial sale.	No	G.S. 105-164.6(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.8 Sourcing when Receipt Location is Unknown			
2.8 Except as provided in Credits 2.13, the credit provided for in 2.1 and 2.2 applies when the seller sources the initial sale pursuant to the SSUTA Sections 310.A.3, 310.A.4, or 310.A.5, because the location where the product was received by the purchaser was unknown to the seller.	No	G.S. 105-164.6(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.9 Characterization of Sale			
2.9 The credit provided for in 2.1 and 2.2 applies regardless of the other state's characterization of the product as tangible personal property, a service, digital good, or product delivered electronically.	No	G.S. 105-164.6(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.10 Sales Price Components			
2.10.a. Full Credit Allowed - The credit provided for in 2.1 and 2.2 applies to all components of the SSUTA "sales price" definition, whether taxable or nontaxable in the State.	No	G.S. 105-164.4(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.10.b. Partial Credit Allowed - When taxable and non-taxable charges are itemized on the invoice, the credit provided for in 2.1 and 2.2 is only for the "tax paid" on the taxable components of the sales price in the State.	No	G.S. 105-164.4(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.11 Transactions with Taxable and Exempt Products			

2.11.a. Full Credit Allowed - The credit provided for in 2.1 and 2.2 applies to the full amount of "tax paid" on a transaction consisting of taxable and exempt products.	No	G.S. 105-164.6(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.11.b. Partial Credit Allowed - When taxable and non-taxable products are itemized on the invoice the credit provided for in 2.1 and 2.2 is only for the "tax paid" on the taxable products of a transaction in the State.	No	G.S. 105-164.6(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.12 Audit Sampling			
2.12 The credit provided for in 2.1 and 2.2 applies when the sale or purchase of the product was part of the population sampled pursuant to an audit sampling method.	No	G.S. 105-164.6(c)	Credit is allowed for sales or use tax due and paid to another state against use tax due to the State. An exception is allowed against State sales tax due through an examination of a taxpayer where State tax at the time of purchase was paid in error on a transaction or product through failure to issue a proper exemption certificate by the retailer. The credit is allowed after extrapolation of the audit sample findings and the credit is not extrapolated but rather the actual amount of credit as documented through executed Forms E-599M's is allowed in the audit report. Additionally, for State sales tax audit sample exceptions, if the retailer obtains executed Vendee Affidavits from purchasers who affirm that they paid the State's use tax on such transactions, credit is allowed for the State use tax paid against the retailer's State sales tax liability before extrapolation of the audit sample findings.
2.13 Direct Mail			
2.13 The credit provided for in 2.1 and 2.2 applies when the seller sources the sale of Advertising and Promotional Direct Mail pursuant to Section 313.A.4.	Yes		Credit is allowed for sales or use tax due and paid to another state against use tax due to the State.
2.14 Accelerated Payments on Lease/Rentals			
2.14 The credit provided for in 2.1 and 2.2 includes the "tax paid" to another state or local jurisdiction on a lease/rental transaction based on the sum of the lease payments ("accelerated basis"), against the "sales or use taxes" due on the balance of the lease/rental payments.	No	G.S. 105-164.6(c)	Sales tax is due on the gross receipts for lease payments after the property is located in the State. Credit is allowed in the State for any sales or use tax due and paid on the accelerated basis in an amount equal to the amount of tax that would have been due on the lease/rental payment had the tax not been paid on an accelerated basis.

2.15 Inception-Deferred Collection on Lease/Rentals			
2.15 The credit provided for in 2.1 and 2.2 includes the "tax paid" to another state or local jurisdiction on a lease/rental transaction based on a deferred collection/remittance method against the "sales or use taxes" due on the balance of the lease/rental payments.	No	G.S. 105-164.6(c)	No credit allowed for tax paid to another state after the property is moved to the State. Sales tax is due on the lease/rental billings after the property is moved to the State. It is unclear that the tax was imposed and due to the other state based on the question.
2.16 Lessor Acquisition			
2.16 The credit provided for in 2.1 and 2.2 includes the "tax paid" by the lessor to another state or local jurisdiction on the acquisition of the product against the "sales or use taxes" due on the balance of the lease/rental payments provided the tax reimbursement is documented and disclosed to the lessee.	No		Sales tax is imposed on the lessor of the property located in the State. As such, credit would not be allowed for tax paid to another State.
Disclosed Practice 3 - Liability Relief			
Note: These tax administration practices address whether a member state provides liability relief although the state is only required to provide relief "to the extent possible," as specified in sections 328(C) and (D) of the Agreement.			
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
Disclosed Practice 3.1 - Liability relief for erroneous information in the tax administration practices section of the taxability matrix			
If you answer "Yes" to 3.1, you do not need to complete 3.1.a, b, and c below. If you answer "No" to 3.1, please complete 3.1.a, b, and c below.			
Liability Relief 3.1 The State provides sellers and CSPs with liability relief for tax, interest and penalties if the sellers and CSPs charged and collected the incorrect tax due to erroneous information in the tax administration practices section of the taxability matrix.	Yes	G.S. 105-164.42L(b)	A person who relies on the information provided in the taxability matrix is not liable for underpayments of tax attributable to erroneous information provided by the Secretary in the taxability matrix.
Liability Relief 3.1.a. Liability Relief for Tax			
Liability Relief 3.1.b. Liability Relief for Interest			
Liability Relief 3.1.c. Liability Relief for Penalties			
Disclosed Practice 3.2 - Extended liability relief for changes to the tax administration practices section of the taxability matrix			

<p>If you answer "Yes" to 3.2, you do not need to complete 3.2.a, b, and c below. If you answer "No" to 3.2, please complete 3.2.a, b, and c below.</p>			
<p>Liability Relief 3.2 When the State makes a change to its tax administration practice section of the taxability matrix, the State provides sellers and CSPs with liability relief for the tax, interest and penalties for having charged and collected the incorrect tax until the first day of the calendar month that is at least 30 days after notice of the change to the state's tax administration practices section of the taxability matrix is submitted to the governing board, provided the seller or CSP relied on the prior version of the taxability matrix.</p>	No		<p>Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.</p>
<p>Liability Relief 3.2.a. Liability Relief for Tax</p>	No		<p>Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.</p>
<p>Liability Relief 3.2.b. Liability Relief for Interest</p>	No		<p>Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.</p>

Liability Relief 3.2.c. Liability Relief for Penalties	No		Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.
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Disclosed Practice 3 .3 Extended liability relief for changes to the library of definitions section of the taxability matrix

If you answer "Yes" to 3.3, you do not need to complete 3.3.a, b, and c below.

If you answer "No" to 3.3, please complete 3.3.a, b, and c below.

Liability Relief 3.3 When the State makes a change to the library of definitions section of its taxability matrix, the State provides sellers and CSPs with liability relief for the tax, interest and penalties for having charged and collected the incorrect tax until the first day of the calendar month that is at least 30 days after notice of the change to the member state's library of definitions section of the taxability matrix is submitted to the governing board, provided the seller or CSP relied on the prior version of the taxability matrix.	No		A person who relies on the information provided in the taxability matrix is not liable for underpayments of tax attributable to erroneous information provided by the Secretary in the taxability matrix. Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.
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Liability Relief 3.3.a. Liability Relief for Tax	No		A person who relies on the information provided in the taxability matrix is not liable for underpayments of tax attributable to erroneous information provided by the Secretary in the taxability matrix. Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.
Liability Relief 3.3.b. Liability Relief for Interest	No		A person who relies on the information provided in the taxability matrix is not liable for underpayments of tax attributable to erroneous information provided by the Secretary in the taxability matrix. Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.

Liability Relief 3.3.c. Liability Relief for Penalties	No		A person who relies on the information provided in the taxability matrix is not liable for underpayments of tax attributable to erroneous information provided by the Secretary in the taxability matrix. Except for the time period required pursuant to G.S. 105-264 for a change in an interpretation by the Secretary, the State will relieve any CSP and any Seller registered under the SSUTA that contracts with a CSP, for (10) days after notification by the State to conform with changes to the taxability matrix provided by the State as required by Section E.3 "Relief from Liability: Erroneous Data" of the Streamlined Contract entered into by the Governing Board with each CSP. There is no provision in the General Statutes that require granting relief until the first day of the calendar month that is at least 30 days after notice of the change to the taxability matrix.
Disclosed Practice 4 - Acceptance of Limited Power-of-Attorney/Agent Authorization Form F0023			
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
4.1 Acceptance of Form F0023 From CSPs			
4.1 The member state will accept a signed copy of the Limited Power of Attorney/Agent Authorization form posted to the governing Board's website, as sufficient authority for the state to disclose to the CSP any confidential information of the seller necessary to allow the CSP to fulfill its obligations under its contract with the governing board and to fulfill its responsibilities to the seller under Section 501 of the Agreement.	Yes		It is suggested that State personnel identified through the SST project as points of contact for CSP's be utilized.
4.2 Acceptance of Form F0023 From Persons Other Than CSPs			

4.2 The member state will accept a signed copy of the Limited Power of Attorney/Agent Authorization form posted to the governing Board's website, as sufficient authority for the state to disclose to the seller's appointed agent, other than a CSP, any confidential information of the seller as authorized on the form to allow the agent to fulfill its obligations to the seller.	No		NC requires Form Gen-58, Power of Attorney and Declaration of Representative, or Form Gen-58B, Power of Attorney for Bankruptcy Matters. https://www.ncdor.gov/poa
Disclosed Practice 5 - Post Transaction Issues			
<p>Definition:</p> <p>Unless indicated otherwise throughout Disclosed Practice 5:</p> <ul style="list-style-type: none"> · Use of the word "tax" means the sales or use tax paid by the customer to the seller which was timely remitted by the seller to the state; · Use of the word "refund" includes a credit unless otherwise stated; · Unless otherwise stated, the refund is being claimed within the state's statute of limitations; · Unless otherwise stated, the seller has refunded the tax to the customer; · The tax rates used in the examples are for illustrative purposes only and are presumed to be correct; · The seller is not engaged in fraud or making intentional misrepresentations; · The seller maintains proper books and records to substantiate taxes collected and remitted based on the applicable state's requirements; · The disclosed practices do not apply to sales of motor vehicles; · The disclosed practices relate to products voluntarily returned by the customer and accepted by the seller (e.g., does not include repossessed products) and; · The disclosed practices only provide general guidance and assume there are no other unique circumstances that apply. 			
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
5.1 - Refund Procedure Document			

5.1 Does your state have written guidance on your website, or otherwise, that explains how sellers and/or customers can properly obtain a tax refund from your state? (If "yes", please provide a website link and/or indicate how a person can obtain guidance in the comment section.)	Yes	G.S. 105-164.11, 105-164.11A, 105-241.7	https://www.ncdor.gov/taxes-forms/sales-and-use-tax/amended-returns-and-refund-claims
Disclosed Practice 5.2 - When does your state's statute of limitations begin for a seller to obtain a refund of tax paid for products returned by a customer?			
5.2.a. It begins on the due date of the tax return on which the tax was required to be reported by the seller to the state.	No		
5.2.b. It begins on the date the tax on the sale was due by the seller to the state.	No		
5.2.c. It begins on the date the tax was remitted to the state or the due date of the tax return, whichever is later.	No	G.S. 105-241.6(a)	
5.2.d. It begins on the date the customer returns the product (such as a rescission of sale) to the seller and receives the refund from the seller.	Yes	G.S. 105-164.11A	
5.2.e. Other - If the state's answers to 5.2.a. – 5.2.d. were all "no", check "yes" and explain when the statute of limitations for a seller's claim begins in the comments section.	No		
Disclosed Practice 5.3 - How long is your state's statute of limitations time period for a seller to claim a tax refund on products returned by a customer?			
5.3.a. A three-year statute of limitations (that begins based on the state's response in 5.2) for a seller to make a refund request to the state.	Yes		For purposes of this response, the statute of limitations applies to the filing period in which the return occurred.
5.3.b. A four-year statute of limitations (that begins based on the state's response in 5.2) for a seller to make a refund request to the state.	No		
5.3.c. If the answers to both 5.3.a. and 5.3.b., were "no" please indicate "yes" and provide your state's time period for a seller to make a refund request to the state in the comments.			
Disclosed Practice 5.4 - Documentation to Prove Refund of Tax to Customer			

5.4 Will your state accept the seller's electronic sales receipts that identify the product purchased, the date purchased, the tax collected, the product returned, the date refunded and the tax refunded to the customer to prove that a customer paid tax?	Yes		
Disclosed Practice 5.5 - How does a seller obtain a refund of tax refunded to their customer? (Credit on Current Tax Return, Subsequent Tax Return or Refund Claim)			
5.5.a. Does your state allow a seller to take a credit (or net) on its tax return to report the original sale if the product was returned prior to the seller filing that tax return? If this is required, note that in comments section.	Yes	G.S. 105-164.11, 105-164.11A	
5.5.b. Subject to the state's statute of limitations, does your state allow a seller to take a credit (or net) during the reporting period when the product was returned if the product is returned in a different reporting period than the original sale? If this is required, note that in comments section.	Yes	G.S. 105-164.11, 105-164.11A	
5.5.c. Subject to the state's statute of limitations, does your state allow the seller to file an amended tax return and/or refund claim when the product is returned after the seller filed its tax return to the state to report the original sale? If this is required, note that in comments section.	Yes	G.S. 105-164.11, 105-164.11A, 105-241.7	
Disclosed Practice 5.6 - May the seller process the refund and additional charges in one transaction on a single invoice?			
5.6.a. Does your state allow the seller to obtain a refund from the state if the seller subtracts from the original sales price any charges imposed by the seller to make a return (understanding the tax must be collected on any taxable charges)? If your state has exceptions note those exceptions in the comments section.	Yes	G.S. 105-241.7	
5.6.b. If the answer to 5.6.a. was "no," does your state allow the seller to obtain a refund from the state if it provides a full refund, including the tax, but subsequently imposes any service charges (and imposing any applicable tax) to the customer as a separate transaction on a separate invoice?			

Disclosed Practice 5.7 - Taxability of Return Fees			
5.7.a. Does your state impose tax on restocking fees or return fees that are not directly associated with the use of a returned product?	No		
5.7.b. Does your state impose a sales tax on a charge for the use (e.g. wear and tear) of a product?	No		
Disclosed Practice 5.8 - Cash/Credit Refund versus Store Credit			
5.8 Does your state treat the refund in the form of store credit the same as a cash refund for returned products?	Yes	G.S. 105-164.11(a)(1)	
Disclosed Practice 5.9 - Simultaneous Return and Sale			
5.9.a. Does your state allow the seller to only collect and remit the additional tax on the price difference of a returned product when the replacement product costs more? If no, explain in the comments section.	Yes		
5.9.b. Does your state allow the seller to obtain a refund from the state for the price difference of a returned product when the replacement product costs less? If no, explain in the comments.	Yes	G.S. 105-164.11, 105-164.11A, 105-241.7	
Disclosed Practice 5.10 - Refund Pending State Approval			
5.10.a. Will your state refund or credit a seller for tax erroneously collected and remitted to the state prior to the seller refunding the customer the tax if the seller does not have a written agreement to refund the tax to the customer?	No		
5.10.b. If you answered "no" to disclosed practice 5.10.a., if the seller has a written agreement that it will refund the tax to the customer if the state approves the refund, will your state refund or credit a seller for tax erroneously collected and remitted to the state prior to the seller refunding the customer the tax?	No		
5.10.c. Does your state require the seller to refund the tax to the customer prior to obtaining a refund from the state?	Yes	G.S. 105-164.11, 105-164.11A	
Disclosed Practice 5.11 - Seller Refund When Customer Did Not Pay Tax			

5.11 Can the seller, who remitted the tax to the state, obtain a refund of the tax paid to the state if the customer refuses to pay the tax because the customer correctly asserted the transaction was exempt under the state's laws?	Yes	G.S. 105-164.11, 105-164.11A, 105-241.7	Form E-595E, Streamlined Sales Tax Agreement Certificate of Exemption, or the required data elements provided in G.S. 105-164.28 must be on file to establish a transaction is exempt from tax.
Disclosed Practice 5.12 - Returned Product to Seller in Another State			
5.12 The customer has the original sales receipt indicating your state's tax was charged. If the product is returned in another state, will your state allow the seller to claim the refund of the tax paid to your state?	Yes	G.S. 105-164.11, 105-164.11A, 105-241.7	Yes, provided the tax is refunded or credited to the customer.
Disclosed Practice 5.13 - Returned Product to Seller in Another Local Jurisdiction Within the Same State			
5.13 The customer has the original sales receipt indicating the tax was charged for a local jurisdiction in your state. The product is returned in your state in a different local jurisdiction. Does your state require the seller to claim the refund of the tax paid to the original local jurisdiction?	Yes	G.S. 105-164.11, 105-164.11A, 105-241.7	
Disclosed Practice 5.14 - Returned Product with No Receipt			
5.14 If a seller refunds tax to a customer, without a receipt, using the tax rate at the store where the return was made and the price of the returned product at the store at that time, will your state allow the seller to receive a refund or credit of this tax from the state? Note in the comments section any special documentation the seller needs to provide the state.	No		
Disclosed Practice 5.15 - Customer Directly Filing for a Refund			
5.15.a. Does the state give customers the option to request a tax refund directly from the state (i.e., the customer is not required to make the request through the seller)? Note any special requirements that may apply, such as minimum dollar thresholds, in the comment section.	No	G.S. 105-164.11A(b)	This is only allowed for certain situations regarding services contracts as provided in G.S. 105-164.11A(b).
5.15.b. If the answer to disclosed practice 5.15.a. was "no," does the state allow a customer to obtain a tax refund from the state when the seller cannot be found or refuses to refund the tax to a customer? If "yes", provide details in the comment section.	No		

Disclosed Practice 6 - Voluntary Disclosure Agreement (VDA)			
Instructions: For each of the scenarios below, indicate whether registration to collect and remit sales and use taxes with your state adversely affects a VDA.			
If You Answered Yes, Describe the Adverse Affect on the VDA. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
6.1.a. A seller's registration prior to the seller (or its representative) submitting the state's voluntary disclosure agreement (VDA) application will adversely affect the seller's VDA with the state.	No		
6.1.b. A seller's registration after the seller (or its representative) submits the state's voluntary disclosure agreement (VDA) application, but before either the seller or the state signs the actual VDA will adversely affect the VDA with the state.	No		
6.1.c. A seller's registration after the state signs the actual voluntary disclosure agreement (VDA) but before the seller signs the VDA will adversely affect the VDA.	No		
Disclosed Practice 7 - Classification of Medical Products in Appendix L Identified as "Not Classified by SSTGB"			
Instructions: States may classify one or more of the "Not Defined" products listed in Appendix L under one of the SSUTA definitions or a state-specific definition, other than "tangible personal property."			
	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
Disclosed Practice 7 - Classification of Medical Products in Appendix L Identified as "Not Classified by SSTGB"			
7.1 Does the state classify any of the items listed below in Medical Products Disclosed Practice 7.2 as clothing, drugs, durable medical equipment, mobility enhancing equipment, over-the-counter drugs, prosthetic devices, or under a different state-specific definition (other than tangible personal property)? If yes, see Medical Products Disclosed Practice 7.2 for the classification. If no, Medical Products Disclosed Practice 7.2 does not need to be completed.	Yes		

<p>7.2 Answer No if the item is not classified under any of the terms listed in Medical Products Disclosed Practice 7.1 or a state-specific defined term (other than tangible personal property).</p> <p>Answer Yes if the item is classified under one of those terms, provide the appropriate statute/rule city and indicate in the "Comment" column the defined term under which the item is classified.</p> <p>These tax administration practices identify how each state classifies the products identified as "Not Classified by SSTGB" in Appendix L, but do not indicate the taxability of those products.</p>			
Product	SSUTA Defined or State Defined Term	Statute/Rule Cite	Comment (if applicable, indicate defined term under which the item is classified)
7.2.a Air purifier			
7.2.b Bed pads - Disposable - for incontinent patients (Disposable pad placed on beds to keep sheets dry and wick moisture away from the patient. Used for incontinent patients.)	State Defined	G.S. 105-164.3, 105-164.13(13d)	Incontinence underpad
7.2.c Blankets - Other than baby receiving blankets			
7.2.d Breast pumps (See Reference #s 52500-52512)	SSUTA Defined		G.S. 105-164.3(22)
7.2.e Closed caption devices			
7.2.f Cold packs and Hot packs (reusable)			
7.2.g Collection bags - Body fluid collection (For collection and sending to lab for testing)			
7.2.h Denture adhesive			
7.2.i Dialysis Bags - Peritoneal Dialysis Drain			
7.2.j Dialyzers - Single Use (A dialyzer is an artificial kidney designed to provide controllable transfer of solutes and water across a semi permeable membrane separating flowing blood and dialysate streams. The transfer processes are diffusion (dialysis) and convection (ultrafiltration). There are three basic dialyzer designs: coil, parallel plate, and hollow fiber configurations. Filter that is incorporated in machine.)			

7.2.k Dressings - Compression - Non Medicated (Ace Bandages)			
7.2.l Dressings - Elastic - Non Medicated (Non-Ace bandages to hold dressings)			
7.2.m Dressings - Gauze Wraps (Tube gauze, Gauze Wraps)			
7.2.n Dressings - General (Pads, sponges, tapes and adherents, elastic, compression, gauze)			
7.2.o Dressings - Non-Medicated (Dressings containing a substance which is neither a RX or OTC drug)			
7.2.p Dressings - Wound Care - Skin Barrier Products (Sprays, cream)			
7.2.q Eating utensils - Adjustable			
7.2.r ECG Monitor - Implanted			
7.2.s Fever thermometers - Disposable/SPU			
7.2.t Gases - Non-Medical Grade			
7.2.u Gases - Tanks for (Empty - Tanks only)			
7.2.v Glucose for Insulin Reactions (Tablets, liquid)			
7.2.w Infuser Bags (Pressure Infuser bags - used to administer intravenous fluids under pressure at any angle to patients in pre-hospital or emergency room settings - Disposable)			

7.2.x IV Therapy arm boards-Disposable			
7.2.y IV Therapy Tourniquets - SPU (Disposable)			
7.2.z Laboratory equipment (Microscopes, incubators, refrigerators, centrifuges)			
7.2.aa Medical atomizers - Disposable (An atomizer that gives controlled delivery of topical anesthetics and other drugs. Used primarily for nasal or oral drug delivery. This version of atomizers is disposable.)			
7.2.ab Medical Instruments - Disposable (Clamps, drills, endlinear cutter, forceps, retractors, scalpels, reamers, scissors, trocar)			
7.2.ac Nasal strips (Flexible spring like band that fits above the nostrils and lifts the sides of the nose when they try to straighten back to their original shape.)			
7.2.ad Needleless Drug Delivery System - Injection Guns (Disposable)			
7.2.ae Needles - Wound Closure - Suturing (Disposable)			
7.2.af Needles & Syringes - Acupuncture needles (Reusable)			
7.2.ag Needles & Syringes - Needles - Aspirating			
7.2.ah Needles & Syringes - Needles - Biopsy			
7.2.ai Needles & Syringes - Needles - Blood Draw/Access			
7.2.aj Needles & Syringes - Needles - Hypodermic			

7.2.ak Needles & Syringes - Needles - Hypodermic - Insulin			
7.2.al Needles & Syringes - Needles - Not Inject/Drain (Parts to machines)			
7.2.am Needles & Syringes - Needles/Syr Pckgd Tog			
7.2.an Needles & Syringes - Syringe - Cannula Package (Interlink System – Separate Needle-less infusion device from IV sets - Stand alone items)			
7.2.ao Needles & Syringes - Syringes			
7.2.ap Needles & Syringes - Syringes - Insulin			
7.2.aq Needles & Syringes - Syringes - Not Inject/Drain (Irrigation (Toomey), oral and ear)			
7.2.ar Ostomy - Barriers (Barrier prep wipes, barrier powder)			
7.2.as Ostomy - Cleaners / Skin Prep (Skin prep peri-wash, ostomy cleanser, cleanser deodorants, adhesive remover)			
7.2.at Ostomy - Lubricants (Lubricants, lubricant jelly, stoma lubricant)			
7.2.au Paraffin wax (Wax used in paraffin baths. Paraffin heat therapy provides moist heat to warm joints tissue and skin. Used in the treatment of arthritis and joint injuries.)			
7.2.av Physical Therapy -Equipment & Tools (Exerbands, weights, bikes, treadmills, rowers, parallel bars from #212)			
7.2.aw Resuscitators - Disposable			

7.2.ax Safety equipment (Goggles, shields)			
7.2.ay Seat Cushions - Comfort (General use cushions that do not primarily and customarily serve a medical purpose.)			
7.2.az Sitz bath			
7.2.ba Skin closures (These are called butterfly bandages, steri-strips, cover strips, or suture strips and are variations of sterile adhesive skin closures designed to hold the edges of a skin wound together.)			
7.2.bb Spas, hot or cold (Spas which are available for sale to the general public and not specifically manufactured for medical purposes.)			
7.2.bc Staple Remover - Wound Closure (Disposable)			
7.2.bd Stapler - Empty - one Use Only			
7.2.be Sterilizers - Chemical			
7.2.bf Suction Catheter (This catheter is used for the removal of respiratory tract secretions. The catheter is inserted through tracheal and tracheostomy tubes. Four eyes at the catheter's tip serve as vacuum breakers to help prevent tissue from being pulled into the tube. Since suctioning removes the patient's air supply, suction should not exceed 10 seconds duration. Suction catheters are intended for single use only.)			
7.2.bg Therapy - Cold (Cold compression)			

7.2.bh Therapy - Heat (Heat warmers)			
7.2.bi Tongue depressors			
7.2.bj Transducer gel			
7.2.bk Venous blood sets			
7.2.bl Visually Impaired Supplies & Equipment - Other			
7.2.bm X-Ray developer solution			

Disclosed Practice 8 - Remote Sellers, Marketplace Sellers, and Marketplace Facilitators/Providers

Collection and Remittance Requirements Related to Remote Sellers, Marketplace Sellers, and Marketplace Facilitators/Providers from Appendix E of the SSUTA. NOTE: Additional explanatory information and examples can be found in Appendix E of the SSUTA.

Unless otherwise specified, Disclosed Practice 8 only applies to the states' sales and use tax laws, and not to other taxes or other regulatory registration requirements.

(These tax administration practices address how a member state administers its sales and use tax economic nexus, remote seller, and marketplace facilitator/provider statutes. The United States Supreme Court (SCOTUS) ruled in [South Dakota v. Wayfair](#) on June 21, 2018, that states can require sellers to collect and remit sales or use tax on sales delivered to locations within their state even if the seller does not have a physical presence in the state.)

Unless otherwise noted, States should answer every disclosed practice question/statement.

Disclosed Practice 8.1 – Remote Sellers

[State Guidance for Remote Sellers](#)

If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
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Definition:

For purposes of Disclosed Practice 8.1.a

"Remote Seller" is generally a seller that does not have any physical presence in a state (no property or employees) but who sells products or services for delivery into that state.

A remote seller includes a "marketplace seller" that does not have a physical presence in the state.

(Note: A state may allow a seller to have limited physical presence in the state and still treat the seller as a remote seller as provided in (A) and (B).)

<p>(A)(1) Inventory Controlled by 3rd Party</p> <p>(A) (1) The State still treats a seller as a "Remote Seller" if the seller's <u>only</u> physical presence in the state is inventory owned by that seller that is in a third party's warehouse which the seller does not control (e.g., Marketplace Facilitator/Provider controls the movement of inventory). (Note, the exception in (A)(2) and/or (B) may also apply.)</p>	No		
<p>(A)(2) Inventory Seller Controls</p> <p>(A)(2) The State still treats a seller as a "Remote Seller" if the seller's <u>only</u> physical presence in the state is inventory owned by that seller that is in a third party's warehouse and the seller controls the movement of the inventory. (Note, the exception in (A)(1) and/or (B) may also apply.)</p>	No		
<p>(B) Employees</p> <p>(B) The State still treats a seller as a "Remote Seller" if the seller's <u>only</u> physical presence in the state is an employee that is not involved in making sales. If for purposes of Disclosed Practice 8.1.(B) the State distinguishes between retail and wholesale sales, the State will indicate it in the Comment column.</p> <p>(Note, the exception in (A) may also apply.)</p>	No		

<p>8.1.a.i.</p> <p>The State's Remote Seller monetary economic nexus threshold is "\$100,000" (i.e., either \$100,000 or more" or "more than \$100,000"). (Definition of "type of products" subject to the threshold calculation is addressed in 8.1.b.)</p> <p>If "Yes", indicate in the Comment column if the State's monetary economic nexus threshold is:</p> <p>"\$100,000 or more" or "More than \$100,000".</p> <p>If "No", indicate in the Comment column the dollar amount of the State's monetary economic nexus threshold and whether it is:</p> <p>"\$X or more" or "More than \$X".</p> <p>If the state does not have a monetary economic nexus threshold, indicate "No Threshold".</p>	<p>Yes</p>		<p>More than \$100,000.</p>
<p>Disclosed Practice 8.1.b. – What Type of Products Does the State Include in its Economic Nexus Threshold Calculation?</p>			
<p>Disclosed Practice 8.1.b.i.</p> <p>The State includes sales of all types of products (e.g., sales of tangible personal property, sales of digital good, sales of services) in its economic nexus threshold calculation.</p> <p>If no, indicate in the Comment column which types of product sales are included in the state's economic nexus threshold.</p> <p>(Note: For purposes of these disclosed practices, the sales of the types of products identified in 8.1.b. are the sales to be considered when computing the state's economic nexus threshold(s).)</p>	<p>Yes</p>		
<p>Disclosed Practice 8.1.c. - How is the State's Remote Seller Monetary Economic Nexus Threshold Calculated? – Only one answer should be "yes".</p>			

<p>8.1.c.i. - GROSS</p> <p>The State's Remote Seller monetary economic nexus threshold is based on GROSS sales, gross revenue or gross receipts from all sales.</p>	<p>Yes</p>		
<p>8.1.c.ii. - RETAIL</p> <p>The State's Remote Seller monetary economic nexus threshold is based only on RETAIL sales (only excludes sales for resale).</p>	<p>No</p>		
<p>8.1.c.iii. - TAXABLE</p> <p>The State's Remote Seller monetary economic nexus threshold is based only on TAXABLE sales (all sales that are taxable).</p>	<p>No</p>		
<p>8.1.c.iv. - OTHER</p> <p>The State calculates the monetary economic nexus threshold based on something other than Gross, Retail or Taxable sales. Indicate in the Comment column what your state's monetary economic nexus threshold is based on.</p>	<p>No</p>		
<p>Disclosed Practice 8.1.d. - What is the State's Remote Seller Transactional Economic Nexus Threshold?</p>			
<p>Best Practice for 8.1.d. - States do not have a transactional economic nexus threshold.</p>			

<p>8.1.d.i.</p> <p>The State's Remote Seller transactional economic nexus threshold is "200" (i.e., either "200 or more" or "more than 200") separate transactions. (What constitutes a "transaction" is explained in 8.1.e and 8.1.f)</p> <p>If "Yes" - Indicate in the comments if transactional threshold is:</p> <p>"200 or more transactions" or "More than 200 transactions".</p> <p>If "No" – Indicate in the Comment column the State's transactional economic nexus threshold and whether it is:</p> <p>"X transactions or more" or "More than X transactions"</p> <p>If the State does not have a transactional economic nexus threshold indicate "No Threshold" in the Comment column.</p>	<p>No</p>		
<p>Disclosed Practice 8.1.e. - Which Transactions Are Used to Determine if a Seller Has Met a State's Transactional Economic Nexus Threshold?</p>			
<p>8.1.e.i</p> <p>The State's Remote Seller transactional economic nexus threshold is calculated using the same transactions that are used to calculate the State's monetary economic nexus threshold (gross, retail or taxable) as indicated in Disclosed Practice 8.1.b.</p>			
<p>Disclosed Practice 8.1.f. - For Purposes of Computing the State's Transactional Economic Nexus Threshold, what is Considered a "Transaction"? Only one answer should be "Yes" for i., ii., or iii.</p>			
<p>8.1.f.i.</p> <p>The State's Remote Seller transactional economic nexus threshold is based on the number of invoices.</p>			

<p>8.1.f.ii.</p> <p>The State's Remote Seller transactional economic nexus threshold is based on the number of orders placed, regardless of whether multiple invoices or shipments are used to fulfill each order placed (e.g., if a single order is placed but it is delivered in three (3) separate shipments, it is considered one (1) transaction).</p>			
<p>8.1.f.iii.</p> <p>The State's Remote Seller transactional economic nexus threshold is based on the quantity of items sold (each item on a single invoice is considered a separate transaction (e.g., a prepackaged box of the same product is one item (box of 12 pencils); however, multiple purchases of the same product are separate items (12 individual pencils)).</p>			
<p>8.1.f.iv.</p> <p>An invoice that includes items to be delivered into multiple states is considered a transaction in this State if any of the items on the invoice are delivered into this State.</p>			
<p>Disclosed Practice 8.1.g. – Transaction with Multiple Payments</p>			
<p>8.1.g.i.</p> <p>A transaction that requires multiple payments (e.g., monthly payments) is considered one transaction for purposes of the State's Remote Seller transactional economic nexus threshold (i.e., each payment is not considered a separate transaction).</p>			
<p>Disclosed Practice 8.1.h. – Does a Remote Seller who makes sales through a Marketplace Facilitator/Provider need to include the sales made through the marketplace in determining if it meets a state's economic nexus threshold?</p>			

8.1.h.i. A Remote Seller shall include its sales made through a Marketplace Facilitator/Provider that is registered in the State when determining if it meets or exceeds the state's economic nexus threshold.	Yes		
8.1.h.ii. A Remote Seller shall include its sales made through a Marketplace Facilitator/Provider that is <u>not</u> registered in the State when determining if it meets or exceeds the state's economic nexus threshold.	Yes		
Disclosed Practice 8.1.i. - What period of time does the State base its a remote seller economic nexus threshold on? – Only one answer should be yes.			
8.1.i.i. - EITHER CURRENT or PREVIOUS YEAR The State's economic nexus threshold is based on a Remote Seller exceeding the threshold in either the previous calendar year or current calendar year.	Yes		
8.1.i.ii. - ONLY PREVIOUS YEAR The State's economic nexus threshold is based on a remote seller exceeding the threshold only in the previous calendar year.	No		
8.1.i.iii. - OTHER The State's economic nexus threshold is based on a different period of time. (Provide the basis in the Comment column.)	No		
Disclosed Practice 8.1.j. – When does the State require a remote seller to register and begin collecting and remitting the applicable tax? – Only one answer should be yes. A Remote seller who has met the economic nexus threshold in a state but has not made any taxable sales into that state, should review DP 8.1.n for exceptions.			
Best Practice for 8.1.j. - A Remote Seller is required to register and begin collecting and remitting the tax no sooner than the first day of the first calendar month that begins 30 days after meeting or exceeding the state's threshold.			

<p>8.1.j.i.</p> <p>The State requires a Remote Seller to register, collect and remit the tax on the next transaction after meeting or exceeding the threshold.</p>	<p>Yes</p>		
<p>8.1.j.ii.</p> <p>The State requires a Remote Seller to register, collect and remit the tax by no later than the first day of the first calendar month that begins at least X days after meeting or exceeding the threshold.</p> <p>Indicate in the Comment column the number of days after the threshold is met that the seller is required to register and begin collecting and remitting the tax.</p>	<p>No</p>		
<p>8.1.j.iii.</p> <p>Other. If the State's answer to 8.1.j.i and j.ii is "no" indicate in the Comment column when a Remote Seller must register and begin collecting and remitting the tax.</p>	<p>No</p>		
<p>Disclosed Practice 8.1.k. - When is a remote seller who falls below a state's economic nexus threshold allowed to stop collecting and remitting the tax?</p>			
<p>8.1.k.i.</p> <p>A Remote Seller that falls below the State's Remote Seller economic nexus threshold(s) during the measurement period (See 8.1.i.) may cancel its registration or request inactive status any time after the measurement period ends.</p> <p>If yes, indicate in the Comment column if the remote seller can:</p> <p>Cancel the registration, or Request inactive status.</p> <p>If the answer is no, indicate in the Comment column when a Remote Seller can cancel their registration or request inactive status.</p>	<p>Yes</p>		<p>Cancel the registration.</p>
<p>Disclosed Practice 8.1.l. – What Type of Permit Does a Remote Seller Apply For? – Only one answer should be yes.</p>			

8.1.l.i. The State requires a Remote Seller to register to collect sales tax.	No		
8.1.l.ii. The State requires a Remotes Seller to register to collect (seller's) use tax.	No		
8.1.l.iii. The State requires a Remote Seller to register under a single registration to collect both sales and (seller's) use tax.	Yes		
8.1.l.iv. The State allows a Remote Seller to register to collect either a sales or (seller's) use tax. If yes, please explain in Comment column any special circumstances.	No		
Disclosed Practice 8.1.m. Can a Remote Seller that is not registered or required to be registered in any State provide an exemption certificate claiming sale for resale to a Seller located in this state and can that Seller accept that exemption certificate? More information on a state's acceptance of an exemption certificate is available at: Exemptions (streamlinedsalestax.org)			
8.1.m.i. A Remote Seller that is not registered or required to be registered in any State can provide an exemption certificate to a Seller in this State claiming a sale for resale for those items the Remote Seller will resell, and the Seller in this State may accept such exemption certificate. If yes, indicate in the Comment column what identification number, if any, the Remote Seller is required to put on the certificate?	No	G.S. 105-164.28(a)	

<p>8.1.m.ii.</p> <p>A Remote Seller that is not registered or not required to be registered in any State purchasing items for resale from a third- party supplier (drop shipper) who will deliver the items to the Remote Seller's customer located in this State can issue an exemption certificate claiming resale and the third-party supplier (drop shipper) can accept such exemption certificate. See SSUTA Sec. 317.A.8 for Drop Shipment requirements.</p> <p>If yes, indicate in the Comment column what identification number, if any, the Remote Seller is required to put on the exemption certificate.</p>	Yes	G.S. 105-164.28(a)(4)	Federal Employer Identification Number, or if no FEIN, enter personal driver's license number and the state from which it is issued.
<p>Disclosed Practice 8.1.n. If your state bases your economic nexus threshold calculation on gross sales or retail sales in DP 8.1.c, does your state require a remote seller that meets the economic nexus threshold in your state but does not have any taxable sales in your state to register and file?</p> <p>Note: States that base their calculation of economic nexus threshold on "taxable" sales in DP 8.1.c, do not answer DP 8.1.n.</p>			
<p>8.1.n.i.</p> <p>The State requires a remote seller to register and file as provided in DP 8.1.j. If yes, go to the next DP. If no, go to DP 8.1.n.ii.</p>	Yes		
<p>8.1.n.ii.</p> <p>The State requires a remote seller who has met the economic nexus threshold but has not made any taxable sales to register as provided in DP 8.1.j. however, the remote seller is not required to collect and file until the remote seller makes a taxable sale. If yes, go to DP 8.1.n.ii.A. If no, go to DP8.1.n.iii.</p>			
<p>8.1.n.ii.A.</p> <p>When does the State require a remote seller described in 8.1.n.ii. to begin collecting tax and filing after it makes its first taxable sale?</p>			
<p>8.1.n.ii.A.1</p> <p>Immediately upon making the first taxable sale.</p>			

8.1.n.ii.A.2. After meeting the period of time provided in DP 8.1.j. after making its first taxable sale.			
8.1.n.iii. The State does not require a remote seller to register, collect or file as provided in DP 8.1.j. until the remote seller makes a taxable sale. If yes, go to DP 8.1.n.iii.A.			
8.1.n.iii.A. When does the State require a remote seller to register and collect tax after it makes its first taxable sale?			
8.1.n.iii.A.1 Immediately upon making the first taxable sale.			
8.1.n.iii.A.2. After meeting the period of time provided in 8.1.j. after making its first taxable sale.			
Disclosed Practice 8.1.o. - If your state has eliminated the transactional economic nexus threshold, what is the earliest date a remote seller who does not meet or exceed your monetary economic nexus threshold but had met the transactional economic nexus threshold in the measurement period may cancel their registration?			
8.1.o.i. Has your state eliminated its transactional economic nexus threshold? If yes, indicate in the Comments column the effective date and go to DP 8.1.o.ii If no, go to the next DP.	Yes		Effective July 1, 2024.

<p>8.1.o.ii.</p> <p>Can a remote seller that does not meet or exceed the monetary economic nexus threshold but had met the transactional economic nexus threshold in the measurement period prior to the elimination of the transactional threshold, cancel its registration or request inactive status?</p> <p>If yes, indicate in the Comments column what is the earliest date the remote seller may cancel its registration or request inactive status.</p>	Yes		July 1, 2024
Disclosed Practice 8.2 – Marketplace Sellers			
State Guidance for Marketplace Sellers			
[Note: Most States enacted laws related to Marketplace Facilitators/Providers that resulted in a Marketplace Seller definition. A "Marketplace Seller" is generally a seller who sells products or services through a physical or electronic marketplace operated by a Marketplace Facilitator/Provider.]			
If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
8.2.a - Does a State require a Marketplace Seller to register in the state when all sales are made through Marketplace Facilitators/Providers that are registered to collect and remit the tax on behalf of the Marketplace Sellers?			
<p>8.2.a.i.</p> <p>The State requires a Marketplace Seller that is a "Remote Seller" that sells exclusively through Marketplace Facilitators/Providers to register with the State.</p>	No		This answer assumes the marketplace facilitators are engaged in business in North Carolina.
<p>8.2.a.ii.</p> <p>The State requires a Marketplace Seller <u>with a physical presence</u> (i.e., not a Remote Seller) that sells exclusively through Marketplace Facilitators/Providers to still register with the State.</p>	No		This answer assumes the marketplace facilitators are engaged in business in North Carolina. Further, a marketplace seller is required to register to remit use tax on its purchases, as applicable

Disclosed Practice 8.2.b – Does the State require a Marketplace Seller to include its sales (dollars and transactions) made through a Marketplace Facilitator/Provider in determining if it meets or exceeds the State’s economic nexus threshold?			
8.2.b.i. The State requires a Marketplace Seller to include its sales (dollars and transactions) made through a Marketplace Facilitator/Provider in determining if it meets or exceeds the state’s economic nexus threshold. See Disclosed Practice 8.1.b. for which types of transactions must be included.	Yes		
Disclosed Practice 8.2.c – Does the State require a Marketplace Seller that is registered and filing in the State to include its marketplace sales in the total sales reported on its tax return and take a deduction as if the sales are exempt?			
8.2.c.i. The State requires a Marketplace Seller registered and filing in the State to include its sales through a Marketplace Facilitator/Provider on its tax returns. (If yes, explain in Comment column on how the deduction is claimed for such sales.)	Yes		The sales should be deducted on the Sales and Use Tax Form on Line 2, "Sales for Resale."
Disclosed Practice 8.2.d – Does the State require a Marketplace Seller to maintain exemption documentation only for its direct sales, and not for sales made through a Marketplace Facilitator/ Provider?			
8.2.d.i. The State requires a Marketplace Seller to maintain exemption documentation only for its direct sales, and not for sales made through Marketplace Facilitators/ Providers.	Yes		This answer assumes the marketplace facilitators are engaged in business in North Carolina.
Disclosed Practice 8.2.e – Does the State allow a Marketplace Seller to rely upon a customer’s exemption documentation for its direct sales, even where the exemption documentation is maintained by a Marketplace Facilitator/Provider?			

<p>8.2.e.i.</p> <p>The State allows a Marketplace Seller to rely upon a customer's exemption documentation for its direct sales even though that exemption documentation is maintained by a Marketplace Facilitator/Provider (e.g., Marketplace Seller has access to the Marketplace Facilitator's/Provider's exemption documentation).</p>	No		
<p>Disclosed Practice 8.2.f – Can a Marketplace Seller that is not registered or not required to be registered in any State issue an exemption certificate to a Seller located in this State claiming sale for resale and can that Seller accept that exemption certificate?</p>			
<p>8.2.f.i</p> <p>A Marketplace Seller that is not registered or required to be registered in any State can issue an exemption certificate to a Seller located in this State claiming resale for those items the Marketplace Seller will resell and the Seller in this State may accept such exemption certificate.</p> <p>If yes, indicate in the Comment column what identification number, if any, the Marketplace Seller is required to put on the certificate.</p>	No	G.S. 105-164.28(a)	
<p>8.2.f.ii.</p> <p>A Marketplace Seller that is not registered or not required to be registered in this State purchasing items for resale from a third- party supplier (drop shipper) who will deliver the items to the Marketplace Seller's customer located in this State can issue an exemption certificate claiming resale and the third-party supplier (drop shipper) can accept such exemption certificate. See SSUTA Sec. 317.A.8 for Drop Shipment requirements.</p> <p>If yes, indicate in the Comment column what identification number, if any, the Marketplace Seller is required to put on the certificate.</p>	Yes	G.S. 105-164.28(a)(4)	Federal Identification Number, or if no FEIN, enter personal driver's license number and the state from which it is issued.
<p>Disclosed Practice 8.2.g - Marketplace Seller Liability and Audits</p>			

8.2.g.i. A Marketplace Seller is liable for the tax on sales made through a Marketplace Facilitator/Provider if the Marketplace Seller provides incorrect or insufficient information. (Explain in Comment column if there are exceptions to this rule.)	Yes	G.S. 105-164.4J(d)	The marketplace facilitator must demonstrate both: (1) the failure to collect the correct amount of tax was due to incorrect information given to the marketplace facilitator by the marketplace seller, and (2) the marketplace facilitator did not receive specific written advice from the Secretary for the transaction at issue.
8.2g.ii. The state has a written policy that explains when and how a Marketplace Seller is liable for tax and may be audited on sales made using Marketplace Facilitators/Providers (if yes, provide a reference to the location of the document in the Comment column).	No	G.S. 105-164.4J(d)	The statute explains when a marketplace seller is liable for tax on marketplace-facilitated sales.

Disclosed Practice 8.3 - Marketplace Facilitators/Providers

[State Guidance for Marketplace Facilitators/Providers](#)

Definition:

For purposes of Disclosed Practice 8.3, a Marketplace Facilitator/Provider is generally a person who owns, operates or otherwise controls a physical or electronic marketplace and facilitates Marketplace Seller's sales that the Marketplace Facilitator/Provider either directly or indirectly through contracts, agreements, or other arrangements with third parties, collects the payment from the purchaser and transmits all or part of the payment to the Marketplace Seller.

NCSL model definition of Marketplace Facilitator?

(https://www.streamlinedsalestax.org/docs/default-source/misc-published/ncsl-salt-model-marketplace-facilitator-legislation-6-2021.pdf?sfvrsn=2024eb8c_4)

The State has adopted (and/or follows) the NCSL model definition of Marketplace Facilitator?

No

Does Your State Follow this Practice? If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your state's Treatment. Add Additional Comments if desired.

Does Your State Follow this Practice?

Statute/Rule Cite

Comment

Disclosed Practice 8.3.a - Exceptions to Marketplace Facilitator/Provider Collection Requirements

<p>8.3.a.i.</p> <p>The State excludes a person as a Marketplace Facilitator/Provider if that person's sole activity with respect to the transaction with the Marketplace Seller is to provide payment processing services between the seller and purchaser.</p> <p>If the answer is no, please explain in the Comment column, including if the State's law is less restrictive, e.g., the payment processing activity is only the principal activity.</p>	Yes		
<p>8.3.a.ii.</p> <p>The State excludes from Marketplace Facilitator/Provider a person who only provides a platform for sellers to list items for sale and provides information that allows the buyer to contact the seller.</p> <p>However, the sales transaction and payment for the transaction occurs off the platform directly between the buyer and the seller.</p>	Yes		
<p>8.3.a.iii.</p> <p>The State excludes a person from being a Marketplace Facilitator/Provider if the person's participation is limited to listing items for sale and connecting purchasers to Sellers and the Marketplace Facilitator/Provider does not directly or indirectly enter into a contract, agreement, or other arrangement with an unaffiliated payment processor that is solely responsible for collecting funds from purchasers and disbursing those funds to Sellers.</p>	No	G.S. 105-164.3	See the definition of Marketplace Facilitator.
<p>8.3.a.iv.</p> <p>The State excludes from Marketplace Facilitator/Provider a person exclusively providing advertising services.</p>	Yes		

<p>8.3.a.v.</p> <p>The State excludes from Marketplace Facilitator/ Provider a person that is registered with the Commodity Futures Trading Commission when using its platform services.</p>	No		
<p>8.3.a.vi.</p> <p>The State requires a Marketplace Facilitator/Provider to collect tax on all types of taxable products (e.g., tangible personal property, digital goods, or services).</p> <p>If no, please explain in Comment column which types of taxable product the Marketplace Facilitator/Provider is required to collect on.</p>	Yes		
<p>8.3.a.vii</p> <p>Does the State exclude certain types of transactions from Marketplace Facilitator/Provider sales and use tax collection or remittance requirements (e.g., prepared food/grocery delivery services, hotel or travel intermediaries, car rental services, etc.)? If "yes," please indicate the exclusions in the Comment column.</p>	No	G.S. 105-164.4J(i)	In addition to marketplace facilitators subject to G.S. 105-164.4J, accommodation facilitators, admission facilitators, and service contract facilitators' specific collection and remittance requirements are set out in G.S. 105-164.4F, 105-164.4G, 105-164.4I, respectively.
Disclosed Practice 8.3.b. - Marketplace Facilitator/Provider Notification Requirements			
<p>8.3.b.i.</p> <p>The State requires a "Marketplace Facilitator/Provider" to provide notification or certification to its Marketplace Sellers that it is registered to collect and to remit the tax. (if yes, describe the method)</p>	No		
<p>8.3.b.ii.</p> <p>The State requires a "Marketplace Facilitator/Provider" to provide notification or certification to the state tax agency that it is registered to collect and remit the tax? (if yes, describe the method)</p>	No		

<p>8.3.b.iii.</p> <p>The State requires a "Marketplace Facilitator/Provider" to provide notification or certification to its Marketplace Sellers that it is no longer registered to collect and remit the tax as provided in 8.3.h. (If "yes," describe the method in the Comment column).</p>	No		
<p>Disclosed Practice 8.3.c – Does your State's Marketplace Facilitator/Provider law provide for a waiver of the Marketplace Facilitator/Provider registration, collection, and remittance requirement?</p>			
<p>8.3.c.i.</p> <p>The State allows for a waiver of registration, collection, and remittance by the Marketplace Facilitator/Provider if substantially all of its Marketplace Sellers are registered with the State to remit the tax.</p>	No		
<p>8.3.c.ii.</p> <p>The State allows a Marketplace Seller to continue to collect and remit the tax if mutually agreed to by the Marketplace Facilitator/Provider <u>and if it is approved</u> by the revenue/tax agency.</p>	No		
<p>8.3.c.iii.</p> <p>The State allows the Marketplace Seller to continue to remit the tax if mutually agreed to by the Marketplace Facilitator/Provider and the revenue/tax agency is notified. Indicate in the Comment column if any threshold requirements must be met before the Marketplace Seller can enter into such agreement .</p>	No		
<p>Disclosed Practice 8.3.d -Marketplace Facilitator/Provider Monetary Economic Nexus Threshold</p>			

<p>8.3.d.i.</p> <p>The State's Marketplace Facilitator/Provider monetary economic nexus threshold and calculation is the same as Remote Sellers in Disclosed Practices 8.1.</p> <p>If different, answer "no" and indicate the monetary economic nexus threshold or calculation differences in the Comment column.</p>	Yes		
Disclosed Practice 8.3.e – Marketplace Facilitator/Provider Transactional Economic Nexus Threshold			
<p>8.3.e.i.</p> <p>The State's Marketplace Facilitator/Provider transactional economic nexus threshold and calculation is the same as Remote Sellers in Disclosed Practices 8.1.</p> <p>If different, please answer "no" and indicate the transactional economic nexus threshold or calculation differences in the Comment column.</p>	Yes		
Disclosed Practice 8.3.f – Marketplace Facilitator/Provider Economic Nexus Measurement Period			
<p>8.3.f.i.</p> <p>The State's Marketplace Facilitator/Provider Economic Nexus Measurement Period is the same as Remote Sellers in Disclosed Practice 8.1.</p> <p>If different, please answer "no" and indicate measurement period in the Comment column.</p>	Yes		
Disclosed Practice 8.3.g – Exceptions to Physical Presence			
<p>8.3.g.i.</p> <p>A Marketplace Facilitator's/Provider's physical presence is based solely on its presence and not on the presence of a Marketplace Seller.</p>	Yes		

<p>8.3.g.ii</p> <p>A Marketplace Facilitator/Provider who is below the state's economic nexus threshold(s) is excluded from collecting and remitting the state's tax if the Marketplace Facilitator/Provider only has employees located in the state that are not engaged in making sales (if applicable, please indicate any exceptions).</p>	No		
<p>Disclosed Practice 8.3.h. – When is a Marketplace Facilitator/Provider that falls below a state's economic nexus threshold allowed to stop collecting and remitting the applicable tax?</p>			
<p>8.3.h.i.</p> <p>The State allows a Marketplace Facilitator/Provider who falls below its Marketplace Facilitator/Provider economic nexus threshold during the measurement period to cancel its registration or request inactive status in the same manner as a Remote Seller in Disclosed Practice 8.1.</p> <p>If different, please answer "no" and indicate differences in the Comment column.</p>	Yes		
<p>Disclosed Practice 8.3.i. - What Type of Permit Does a Marketplace Facilitator/Provider Apply For?</p>			
<p>8.3.i.i.</p> <p>The State's registration requirement for a Marketplace Facilitator/Provider is the same as Remote Sellers in Disclosed Practice 8.1. If different, please answer "no" and indicate type of registration in the Comment column.</p>	Yes		
<p>Disclosed Practice 8.3.j. – What are the Registration and Reporting requirements for a Marketplace Facilitator/Provider?</p>			
<p>8.3.j.i.</p> <p>A Marketplace Facilitator/Provider is only permitted to obtain a single registration and file a single return covering its own sales and those made on behalf of its Marketplace Sellers.</p>	No		

<p>8.3.j.ii.</p> <p>A Marketplace Facilitator/Provider is permitted to register and file separate returns for its own sales and those made on behalf of Marketplace Sellers.</p>	<p>Yes</p>		
<p>8.3.j.iii.</p> <p>Were the answers to 8.3.j.i and 8.3.j.ii both “no”?</p> <p>If so, explain in the comment column the registration and filing requirements for a Marketplace Facilitator/ Provider.</p>	<p>No</p>		
<p>Disclosed Practice 8.3.k. – Voluntary Registration as a Marketplace Facilitator/Provider</p>			
<p>8.3.k.i.</p> <p>The State allows a person that does not meet the State’s definition of Marketplace Facilitator/Provider to voluntarily register to collect and remit the tax on behalf of its third-party sellers.</p>	<p>No</p>		
<p>8.3.k.ii.</p> <p>Will the State enter into an agreement that provides authority for a person to voluntarily register as a Marketplace Facilitator/Provider to collect and remit the tax on behalf of third- party sellers and have the same obligations, rights and protections as a “Marketplace Facilitator/Provider”?</p> <p>(Note: If a written agreement is required, provide requirements in the Comment column.)</p>	<p>Yes</p>	<p>G.S. 105-164.4J(k)</p>	<p>The Secretary must find it is necessary for the efficient administration of the sales and use tax. If a taxpayer wants to enter into an agreement they must request and be approved to enter into a written agreement.</p>
<p>Disclosed Practice 8.3.l. - Marketplace Facilitator/Provider Treatment as a Seller – A Marketplace Facilitator/Provider is treated as the seller for the following:</p>			
<p>8.3.l.i.</p> <p>Refunds – The State allows Marketplace Facilitator/ Provider to request a refund from the state in same manner as a seller/retailer.</p>	<p>Yes</p>		

<p>8.3.l.ii.</p> <p>Vendor discounts - The State applies timely filing/ payment discounts/vendor allowances to Marketplace Facilitators/Providers in same manner as a seller/ retailer.</p>	<p>No</p>		<p>North Carolina does not allow timely filing/payment discounts/vendor allowances.</p>
<p>8.3.l.iii.</p> <p>Exemption Documentation – The State allows sales made by Marketplace Facilitator/Provider to be exempt based on the Marketplace Facilitator/Provider having access to exemption documentation that is maintained by either the Marketplace Facilitator/Provider or Marketplace Seller.</p>	<p>No</p>		<p>The marketplace facilitator must maintain exemption documentation.</p>
<p>8.3.l.iv.</p> <p>Coupons – The State allows coupons, whether issued by a Marketplace Facilitator/Provider or a Marketplace Seller to be deemed to be a retailer’s coupon/discount. (If “no,” indicate in Comment column how such coupons are treated.)</p>	<p>Yes</p>		
<p>8.3.l.v.</p> <p>Bad Debts – The State allows a sales/use tax bad debt deduction based on the party that is able to claim the federal tax deduction under IRC 166, regardless of which party remitted the sales tax. (If “no”, indicate in the Comment column such restrictions.)</p>	<p>No</p>		<p>The retailer for the transaction must be the holder of the bad debt and entitled to charge off the worthless account for income tax purposes. See <i>Home Depot U.S.A., Inc., v. N.C. Dept of Rev.</i>, 2015 NCBC 100 (2015)</p>
<p>Disclosed Practice 8.3.m. - Shifting of Liability to Marketplace Seller</p>			
<p>8.3.m.i.</p> <p>A Marketplace Facilitator/Provider is liable for the tax unless a Marketplace Seller provided incorrect or insufficient information.</p>	<p>No</p>		<p>A marketplace facilitator is liable unless it demonstrates both: (1) the failure to collect the correct amount of tax was due to incorrect information given to the marketplace facilitator by the marketplace seller, and (2) the marketplace facilitator did not receive specific written advice from the Secretary for the transaction at issue.</p>

<p>8.3.m.ii.</p> <p>The State has a written policy on what reasonable steps a Marketplace Facilitator/Provider must take to obtain correct and sufficient information from a Marketplace Seller to shift the liability of the tax to the Marketplace Seller (If "yes," please reference location of the document in the Comment column).</p>	No		
<p>Disclosed Practice 8.3.n. – Marketplace Facilitator/Provider absolved of tax, penalty and interest.</p>			
<p>8.3.n.i.</p> <p>The State absolves a Marketplace Facilitator/Provider of tax, penalty and interest if it can show that a Marketplace Seller or the purchaser already paid the tax on the transaction.</p>	No		
<p>Disclosed Practice 8.3.o. – Is the Marketplace Facilitator/Provider Required to Collect Non-Sales/Use Taxes and Fees?</p>			
<p>8.3.o.i.</p> <p>The State requires a Marketplace Facilitator/Provider to collect and remit other taxes and fees that are also directly imposed on the consumer at the time of the sale. (If yes, please provide the taxes and fees in the Comment column along with legal authority.)</p>	Yes	Chapter 105, Articles 5B, 5C, 5D, 5G, 5H.	Scrap tire disposal tax, white goods disposal tax, dry-cleaning solvent tax, 911 service charge for prepaid wireless communications service, and any other types of taxes that may be due in North Carolina.
<p>8.3.o.ii.</p> <p>The State requires a Marketplace Facilitator/Provider to collect and remit other taxes and fees that are not directly imposed on the consumer at the time of the sale. (If yes, please provide taxes and fees in the Comment column along with legal authority.)</p>	No		
<p>Disclosed 8.3.q. If your state has eliminated the transactional economic nexus threshold, what is the earliest date a marketplace facilitator/provider who does not meet or exceed your monetary economic nexus threshold but had met the transactional economic nexus threshold in the measurement period may cancel their registration?</p> <p>States that have never had a transactional economic nexus threshold do not answer DP 8.3.q.</p>			

<p>8.3.q.i.</p> <p>Has your state eliminated its transactional economic nexus threshold?</p> <p>If yes, indicate in the Comments column the effective date.</p>	<p>Yes</p>		<p>July 1, 2024</p>
<p>8.3.q.ii.</p> <p>The State allows a marketplace facilitator/provider who does not meet or exceed the monetary economic nexus threshold but had met the transactional economic nexus threshold in the measurement period prior to its elimination, to cancel its registration or request inactive status in the same manner as a remote seller in Disclosed Practice 8.1.</p> <p>If different, please answer "no" and indicate difference in the Comment column.</p>	<p>Yes</p>		<p>July 1, 2024</p>
<p>Disclosed Practice 8.3.p. – Class Action Lawsuits</p>			
<p>8.3.p.i.</p> <p>Did the State enact class action protections for Marketplace Facilitators/Providers separate from what the State is required to provide for all sellers based on Section 325 of the SSUTA/Agreement?</p> <p>If yes, provide the statutory reference in the Comment column.</p> <p>(Note: Indicate in the Comment column if this also applies to Marketplace Sellers.)</p>	<p>Yes</p>	<p>G.S. 105-164.4J(f)</p>	<p>The statute only applies to Marketplace Facilitators, not Marketplace sellers.</p>
<p>Disclosed Practice 9 - Exemptions</p>			

NOTE: Additional explanatory information and examples can be found in Appendix E of the SSUTA.

These tax administration practices address how a member state administers exemptions that appear on the SST exemption certificate when the transaction is sourced to the state. Not all states allow all of the exemptions listed on the SST exemption certificate. In addition, some exemptions may have limitations or be limited in some manner.

The phrase "exemption certificate" includes both paper exemption certificates and the capture of the required data elements.

Sellers are not required to validate a purchaser's ID number or to know whether a purchaser is required to be registered in a state.

Purchasers may be held liable for the tax, interest, and penalties on a transaction if the purchaser improperly issues an exemption certificate to the seller.

Unless otherwise noted, States should respond to every disclosed practice question/statement. A state is not required to answer a question if that question is the subject of ongoing litigation in the state. States should provide links to statutes, regulations or published guidance addressing any limitations to an exemption.

If You Answered No, Describe the Difference Between the Practice as Adopted by the Governing Board and Your State's Treatment. Add Additional Comments if Desired.	Does Your State Follow this Practice?	Statute/Rule Cite	Comment
Disclosed Practice 9.1 – General – Seller Requirements - SSUTA Sec. 317 provides the following specific practices that apply to the administration of exemptions and exemption certificates.			
9.1.A. Member states are asked to affirm that they comply with the following requirements. Does your state comply with all the following requirements? If no, indicate in the Comment column.			
9.1.A.i. The seller is not required to verify the purchaser's ID number or determine the purchaser's registration requirements. (SSUTA Rule 317.A.6.g)	Yes	G.S. 105-164.28	
9.1.A.ii. The seller is required to maintain proper records of exempt transactions and provide those records to the state when requested in the form in which it is maintained. Those records may be provided in paper or electronic format. (SSUTA Sec. 317.A.6)	Yes	G.S. 105-164.28, 105-164.22	

<p>9.1.A.iii.</p> <p>A seller may not accept an exemption certificate for an entity-based exemption on a sale if the subject of the transaction is actually received by the purchaser at a location operated by the seller within the designated state if the state does not allow such an entity-based exemption. (SSUTA Sec. 317.B)</p>	Yes		
<p>9.1.A.iv.</p> <p>A drop shipper may accept an ID number to claim the resale exemption as provided below in the Purchaser's Requirements. The ID number may include an ID number issued by another state. This may result in the same ID number being listed for more than one state. (SSUTA § 317.A.8)</p>	Yes		
<p>9.1.B.</p> <p>Your state requires a seller to renew blanket exemption certificates if more than 12 months elapses between transactions.</p> <p>If no, indicate in the Comment column the period the certificate remains valid.</p>	Yes		
<p>9.1.C.</p> <p>A seller is required to obtain the exemption certificate at the time of sale or within 90 days of the sale to receive liability relief provided in Section 317.C. of the SSUTA. (SSUTA Sec. 317.C)</p> <p>If the period allowed is longer than within 90 days of the sale, indicate in the Comment column the acceptable period of time to obtain an exemption certificate.</p>	Yes	G.S. 105-164.28	
<p>Disclosed Practice 9.2 – Purchaser Requirements</p>			
<p>Disclosed Practice 9.2.A. – Sales for Resale ID number Requirements, including drop shipments (Sellers – see Seller Requirements in 9.1)</p>			

<p>9.2.A.1.i.</p> <p>Your state requires a purchaser that is required to be registered to collect sales and use tax in your state to include your state's state-issued sales tax or resale number on an exemption certificate it provides to its seller to claim an exemption from sales/use tax when purchasing for resale.</p>	Yes	G.S. 105-164.28	This includes a Streamlined Sales Tax Registration Number assigned when registering through Streamlined Sales Tax.
<p>9.2.A.1.ii. Indicate below if your state accepts the following ID numbers for a purchaser that is not required to be registered to collect sales and use tax in your state on an exemption certificate it provides to its seller to claim an exemption from sales/use tax when purchasing for resale.</p> <p>Note: If accepted but not required, note in the Comment column.</p>			
<p>9.2.A.1.ii.a.</p> <p>A business registration number issued by your state, other than a sales tax or resale number.</p>	No	G.S. 105-164.28	Except for drop shipments, a purchaser must provide a certificate of registration number for a purchase for resale.
<p>9.2.A.1.ii.b.</p> <p>If the purchaser does not have a business registration number issued by your state, then a state-issued sales tax or resale number from any state.</p>	Yes	G.S. 105-164.28	
<p>9.2.A.1.ii.c.</p> <p>If the purchaser does not have a business registration number issued by any state, then a U.S. Federal Employer ID number (FEIN).</p>	No		Except for drop shipments, a purchaser must provide a certificate of registration number for a purchase for resale.
<p>9.2.A.1.ii.d.</p> <p>If the purchaser does not have a state issued sales tax or resale number from any state, a business registration number issued by any state, other than a sales tax or resale number.</p>	No		Except for drop shipments, a purchaser must provide a certificate of registration number for a purchase for resale.
<p>9.2.A.1.ii.e.</p> <p>If the purchaser is not required to be registered and does not have the ID number in a through d above, then a state issued driver's license number.</p>	No		Except for drop shipments, a purchaser must provide a certificate of registration number for a purchase for resale.

9.2.A.1.ii.f. If your state accepts any other ID number, indicate in the Comment column the type of number it accepts and when it can be used.			
9.2.A.1.ii.g. If a foreign purchaser does not have any of the ID numbers identified above, does your state accept the tax ID number issued by the foreign country (e.g., VAT) on purchases for resale?	No		Except for drop shipments, a purchaser must provide a certificate of registration number for a purchase for resale.
9.2.A.1.ii.h. Does your state require an ID number when claiming an exemption for resale if the purchaser does not have any ID number listed in 9.2.A.1.ii.a. through 9.2.A.1.ii.g.?	Yes		Except for drop shipments, a purchaser must provide a certificate of registration number for a purchase for resale.
9.2.B. – Direct Sales to the Federal Government (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with the Federal Government)			
9.2.B.1. Does your state have a statutory exemption, which may be limited, for direct sales to the Federal Government (including transactions with payment by government credit cards that are paid direct by the government)?	Yes	G.S. 105-164.13(17)	See Sales and Use Tax Bulletin 36.
9.2.B.2. Is an exemption certificate or other documentation required when the purchaser is claiming exemption as the Federal Government? If yes, enter documentation required in the Comment column.	Yes		The U.S. Government must provide any of the following: (1) a properly completed exemption certificate, (2) purchase requisitions or affidavits signed by a purchasing officer stating that such purchase is being made directly to the U.S. Government, or (3) applicable credit cards issued by the U.S. Government.
9.2.B.3. Is the name of the federal agency making the purchase required?	Yes		
9.2.C. – Direct Sales to Your State Government (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with your State Government)			

<p>9.2.C.1.</p> <p>Does your State have a statutory exemption, which may be limited, for sales to your State or State agencies from your state?</p> <p>If no, go to 9.2.D.</p>	Yes	G.S. 105-163.13(40), (52)	
<p>9.2.C.2.</p> <p>Is the State or State agency required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (State or State agency contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>	Yes	G.S. 105-164.29A	The State or State agency must provide the State issued exemption number.
<p>9.2.C.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption as your State?</p> <p>If yes, enter documentation required in the Comment column.</p>	Yes		N.C. State Government must provide any of the following: (1) a properly completed exemption certificate, (2) a purchase order issued by the State agency that contains its exemption number and a description of the property purchased, or (3) the items must be paid for with a North Carolina State-issued check, electronic deposit, credit card, procurement card, or credit account of the N.C. State Government and the seller must have the N.C. State agency's exemption number on file.
<p>9.2.D. – Direct Sales to a Local Government located in your state (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with a Local Government located in your state)</p>			

<p>9.2.D.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales to a Local Government located in your state?</p> <p>If no, go to 9.2.E.</p>	<p>No</p>		
<p>9.2.D.2.</p> <p>Is the Local Government required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (Local Government contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>			
<p>9.2.D.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption as a Local Government located in your state?</p> <p>If yes, enter documentation required in the Comment column.</p>			
<p>9.2.E. – Direct Sales to State Government located in another state (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with State Government from other states)</p>			
<p>9.2.E.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales to a State Government from another state?</p> <p>If no, go to 9.2.F.</p>	<p>No</p>		

<p>9.2.E.2.</p> <p>Is the State Government from the other state required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (Other State contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>			
<p>9.2.E.3.</p> <p>Is an exemption certificate or other documentation required when purchaser is claiming exemption as a State from another state?</p> <p>If yes, enter documentation required in the Comment column.</p>			
<p>9.2.F. – Direct Sales to a Local Government located in another state(See 9.2.L and M for information on sales to contractors and other third parties who have contracts with the Local Government from another state)</p>			
<p>9.2.F.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales to a Local Government located in another state?</p> <p>If no, go to 9.2.G.</p>	<p>No</p>		

<p>9.2.F.2.</p> <p>Is the Local Government located in another state required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (Local Government contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>			
<p>9.2.F.3.</p> <p>Is an exemption certificate or other documentation required when purchaser is claiming exemption as a Local Government located in another state?</p> <p>If yes, enter documentation required in the Comment column.</p>			
<p>9.2.G. – Direct Sales to Tribal Governments or Entities (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with the Tribal Governments)</p>			
<p>9.2.G.1.</p> <p>Does your state’s sales tax agency have published guidance for the treatment of sales to Tribal Governments, Tribal Entities or Tribal members?</p> <p>If yes, provide links to any published guidance in the Comment column.</p>	<p>Yes</p>	<p>G.S. 105-164.13(17)</p>	<p>See Sales and Use Tax Bulletin 17.</p>
<p>9.2.H. – Sales to Foreign Diplomats</p>			
<p>9.2.H.1</p> <p>Does your state’s sales tax agency have published guidance for any exemptions, which may be limited, for sales to a Foreign Diplomat?</p>	<p>Yes</p>		<p>See Sales and Use Tax Bulletin Section 36-4.</p>

<p>9.2.H.2</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption as a Foreign Diplomat?</p> <p>If yes, enter documentation required and the acceptable ID numbers in the Comment column.</p>	<p>Yes</p>		<p>See Sales and Use Tax Bulletin Section 36-4.</p>
<p>9.2.I. – Direct Sales to Charitable Organizations (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with a Charitable Organization)</p>			
<p>9.2.I.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales to Charitable Organizations?</p> <p>If no, go to 9.2.J.</p>	<p>No</p>		
<p>9.2.I.2.</p> <p>Is the Charitable Organization required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (Charitable Organization contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>			
<p>9.2.I.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption as a Charitable Organization?</p> <p>If yes, enter documentation required in the Comment column.</p>			

<p>9.2.I.4.</p> <p>Is your state's own state-issued exemption ID number required when claiming exemption as a Charitable Organization?</p> <p>If no, indicate in the Comment column which ID numbers are acceptable.</p>			
<p>9.2.I.5.</p> <p>Does your state's exemption for sales to Charitable Organizations apply to Charitable Organizations located in another state?</p> <p>If no go to 9.2.J.</p>			
<p>9.2.I.6.</p> <p>Does your state have different requirements for claiming an exemption as a Charitable Organization located in your state than a Charitable Organization located in another state?</p> <p>If yes, indicate the differences in the Comment column.</p>			
<p>9.2.J. – Direct Sales to Religious Organizations (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with a Religious Organization)</p>			
<p>9.2.J.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales to a Religious Organization?</p> <p>If no, go to 9.2.K.</p>	<p>No</p>		

<p>9.2.J.2.</p> <p>Is the Religious Organization required to apply for an exemption number from your state?</p> <ul style="list-style-type: none">· Yes (Religious Organization contacts state to apply for exemption number)· No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>			
<p>9.2.J.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption as a Religious Organization?</p> <p>If yes, enter documentation required in the Comment column.</p>			
<p>9.2.J.4.</p> <p>Is your state's own state-issued exemption ID number required when claiming exemption as a Religious Organization?</p> <p>If no, the state should indicate the documentation required in the Comment column.</p>			
<p>9.2.J.5.</p> <p>Does your state's exemption for sales to Religious Organizations apply to Religious Organizations located in another state?</p> <p>If no go to 9.2.K.</p>			

<p>9.2.J.6.</p> <p>Does your state have different requirements for claiming an exemption as a Religious Organization located in your state than as a Religious Organization located in another state?</p> <p>If yes, indicate the differences in the Comment column.</p>			
<p>9.2.K. – Direct Sales to Educational Organizations (See 9.2.L and M for information on sales to contractors and other third parties who have contracts with an Educational Organization)</p>			
<p>9.2.K.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales to an Educational Organization?</p> <p>If no, go to 9.2.L.</p>	<p>No</p>		
<p>9.2.K.2.</p> <p>Is the Educational Organization required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (Educational Organization contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>			
<p>9.2.K.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption as an Educational Organization?</p> <p>If yes, enter documentation required in the Comment column.</p>			

<p>9.2.K.4.</p> <p>Is your state's own state-issued exemption ID number required when claiming exemption as an Educational Organization?</p> <p>If no, the state should indicate the documentation required in the Comment column.</p>			
<p>9.2.K.5.</p> <p>Does your state's exemption for sales to Educational Organizations apply to Educational Organizations located in another state?</p> <p>If no go to 9.2.L.</p>			
<p>9.2.K.6.</p> <p>Does your state have different requirements for claiming an exemption as an Educational Organization located in your state than as an Educational Organization located in another state?</p> <p>If yes, indicate the differences in the Comment column.</p>			
<p>9.2.L. – Sales to Construction Contractors for sales of construction materials incorporated into real property construction activities for the specified organizations. This does not include sales for resale. (see below)</p>			
<p>9.2.L.1.</p> <p>Does your state have a statutory exemption or published guidance, which may be limited, for sales to construction contractors for construction materials incorporated into real property by that contractor for the following entities?</p> <p>If yes, indicate any documentation required or provide a link to the published guidance in the Comment column.</p> <p>If no, go to 9.2.M.</p>	<p>No</p>		
<p>9.2.L.1.i.</p> <p>Federal Government</p>			<p>See Sales and Use Tax Bulletin Section 36-3.</p>

9.2.L.1.ii. State Government located in your State			
9.2.L.1.iii. State Government located in other States			
9.2.L.1.iv. Local Government located in your State			
9.2.L.1.v. Local Government located in other States			
9.2.L.1.vi. Tribal Governments, Tribal entities or Tribal members			Some exemptions may apply. See Sales and Use Tax Bulletin Section 17-3.
9.2.L.1.vii. Charitable Organizations located in your State			
9.2.L.1.viii. Charitable Organizations located in other States			
9.2.L.1.ix. Religious Organizations located in your State			
9.2.L.1.x. Religious Organizations located in other States			
9.2.L.1.xi. Educational Organizations located in your State			
9.2.L.1.xii. Educational Organizations located in other States			

9.2.M. – Sales to third parties who are providing services or performing contracts not related to real property.			
<p>9.2.M.1.</p> <p>Does your state have a statutory exemption or published guidance, which may be limited, for sales to third parties who are providing services or performing contracts not related to real property for the following entities?</p> <p>If yes, indicate any documentation required or provide a link to the published guidance in the Comment column.</p> <p>If no, go to 9.2.N.</p>	No		
<p>9.2.M.1.i.</p> <p>Federal Government</p>			See Sales and Use Tax Bulletin Section 36-3.
<p>9.2.M.1.ii.</p> <p>State Government located in your State</p>			
<p>9.2.M.1.iii.</p> <p>State Government located in other States</p>			
<p>9.2.M.1.iv.</p> <p>Local Government located in your State</p>			
<p>9.2.M.1.v.</p> <p>Local Government located in other States</p>			
<p>9.2.M.1.vi.</p> <p>Tribal Governments, Tribal entities or Tribal members</p>			Some exemptions may apply. See Sales and Use Tax Bulletin Section 17-3.
<p>9.2.M.1.vii.</p> <p>Charitable Organizations located in your State</p>			

9.2.M.1.viii. Charitable Organizations located in other States			
9.2.M.1.ix. Religious Organizations located in your State			
9.2.M.1.x. Religious Organizations located in other States			
9.2.M.1.xi. Educational Organizations located in your State			
9.2.M.1.xii. Educational Organizations located in other States			
9.2.N. – Sales of Products used in Agricultural Production			
9.2.N.1. Does your state have a statutory exemption, which may be limited, for products used in Agricultural Production? If yes, provide link to any published guidance issued by your state's sales tax agency for the treatment of any published guidance sales of products used in Agricultural Production in the Comment column? If no, go to 9.2.O.	Yes	G.S. 105-164.13E	See Sales and Use Tax Bulletin 27.

<p>9.2.N.2.</p> <p>Is the purchaser required to apply for an exemption number from your state in order to claim the Agricultural Production exemption?</p> <ul style="list-style-type: none"> · Yes (purchaser contacts state to apply for an exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>	Yes	G.S. 105-164.28A, 105-164.13E	The State issued exemption number is required to be provided to the seller.
<p>9.2.N.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption for Agricultural Production?</p> <p>If yes, enter documentation required in the Comment column.</p>	Yes		A purchaser must provide a properly completed exemption certificate containing the required data elements as provided in G.S. 105-164.28.
<p>9.2.N.4.</p> <p>Does your state's Agricultural Production Exemption apply to Agricultural Production Entities located in another state?</p>	Yes		
<p>9.2.N.5.</p> <p>Is your state's own state-issued exemption ID number required when claiming exemption for Agricultural Production?</p> <p>If no, indicate in the Comment column which ID numbers are acceptable.</p>	Yes		

<p>9.2.N.6.</p> <p>Does your state have different requirements for claiming an Agricultural Production exemption by a purchaser located in your state than by a purchaser located in another state?</p> <p>If yes, indicate the differences in the Comment column.</p>	No		
9.2.O. – Sales of products used in Industrial Production/Manufacturing			
<p>9.2.O.1.</p> <p>Does your state have a statutory exemption, which may be limited, for sales of products used in Industrial Production/Manufacturing?</p> <p>If no, go to 9.2.P.</p>	Yes	G.S. 105-164.13(4), (5), (5e) - (5q), (8), (8a), (10a), (32), (57), & (61a)	See Sales and Use Tax Bulletins 57 and 58.
<p>9.2.O.2.</p> <p>Is the purchaser required to apply for an exemption number from your state?</p> <ul style="list-style-type: none"> · Yes (purchaser contacts state to apply for exemption number) · No (exemption applies, does not require state approval) <p>If yes, indicate in the Comment column if the exemption number is required to be provided on the exemption certificate or other documentation when claiming this exemption.</p>	No		
<p>9.2.O.3.</p> <p>Is an exemption certificate or other documentation required when the purchaser is claiming exemption for sales of products used in Industrial Production/Manufacturing?</p> <p>If yes, enter documentation required in the Comment column.</p>	Yes		A purchaser must provide a properly completed exemption certificate to the seller.

<p>9.2.0.4.</p> <p>Does your state's Industrial Production/ Manufacturing Exemption apply to Industrial Production/Manufacturing Entities located in another state?</p>	<p>Yes</p>		
<p>9.2.0.5.</p> <p>Is your state's own state-issued exemption ID number required when claiming exemption for Industrial Production/Manufacturing?</p> <p>If no, the state should indicate in the Comment column which ID numbers are acceptable.</p>	<p>No</p>		<p>A purchaser must provide their certificate of registration number.</p>
<p>9.2.0.6.</p> <p>Does your state have different requirements for claiming an Industrial Production/ Manufacturing exemption by a purchaser located in your state than by a purchaser located in another state?</p> <p>If yes, indicate the differences in the Comment column.</p>	<p>No</p>		
<p>9.2.P. – Sales of Direct Mail</p>			
<p>9.2.P.1.</p> <p>Does your state allow the purchaser to claim direct mail and assume responsibility for directly reporting tax to the appropriate taxing jurisdictions?</p> <p>If no, go to 9.2.Q.</p>	<p>Yes</p>	<p>G.S. 105-164.27A(a1)</p>	<p>See Sales and Use Tax Bulletin Sections 24-6 and 68-5.</p>
<p>9.2.P.2.</p> <p>Is an exemption certificate or other documentation required when a purchaser claims direct pay responsibility for Direct Mail?</p> <p>If yes, enter documentation required in the Comment column.</p>	<p>Yes</p>		<p>A purchaser must provide either a completed exemption certificate containing the State issued direct pay permit number or a copy of the direct pay permit containing the direct pay permit number to the seller.</p>

<p>9.2.P.3.</p> <p>Does your state require an ID number when the purchaser is claiming Direct Mail and assuming the responsibility for directly reporting tax to the appropriate jurisdiction?</p> <p>If no, go to 9.2.Q.</p>	Yes		
<p>9.2.P.4.</p> <p>Is your state's own state-issued ID number required when the purchaser is claiming Direct Mail and assuming the responsibility for directly reporting tax to the appropriate jurisdiction.</p> <p>If no, indicate in the Comment column which ID numbers are acceptable.</p>	Yes		
9.2.Q. – Direct Pay Permit			
<p>9.2.Q.1.</p> <p>Does your state authorize direct pay permits? (SSUTA Sec. 326)</p>	Yes	G.S. 105-164.27A	
<p>9.2.Q.2.</p> <p>Is an exemption certificate, direct pay permit or other documentation required when Direct Pay Permit holder is claiming Direct Pay authority?</p> <p>If yes, enter documentation required in the Comment column.</p>	Yes		A purchaser must provide either a completed exemption certificate containing the State issued direct pay permit number or a copy of the direct pay permit containing the direct pay permit number to the seller.
<p>9.2.Q.3.</p> <p>Does the state require an ID number when the Direct Pay Permit holder is claiming Direct Pay authority?</p>	Yes		

<p>9.2.Q.4.</p> <p>Is the state's own state-issued exemption ID number required when the Direct Pay Permit holder is claiming Direct Pay authority?</p> <p>If no, indicate in the Comment column which ID numbers are acceptable.</p>	<p>Yes</p>		
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