

# Streamlined Sales and Use Tax Agreement Certificate of Exemption Survey

State Name North Carolina

Person Completing the Survey Eric K. Wayne, Sales and Use Tax Director

Contact Number 919-814-1083

Date: June 2, 2015

1. Does your state require a purchaser to enter an ID number on the exemption certificate it provides to its vendors to claim an exemption from sales/use tax?

Yes   X\*                        No       

\*Exceptions for some sales exempt by statute or used based purchases where the purchaser is not required to obtain an exemption number.

2. If an ID number is required, is it required for every exemption or only certain ones? (Note: Under the SSTGB Rules, a state has the option to choose which exemptions require an ID number be provided.)

Required for ALL exemptions             Only Required for Certain Exemptions   X  

Please either (a) identify which exemptions require an ID number be provided; or (b) indicate that "An ID number is required for all exemptions except...."

The following exemptions require an ID number be provided:

G.S. 105-164.13(4f)	Logging machinery.
G.S. 105-164.13(5)	Items for purpose of resale.
G.S. 105-164.13(5a)	Products subject to tax under Article 5F of Chapter 105.
G.S. 105-164.13(8)	Sales of ingredient and component parts to a manufacturer.
G.S. 105-164.13(9)	Certain items sold to a commercial fisherman.
G.S. 105-164.13(10)	Certain sales to commercial laundries or to pressing and dry cleaning establishments.
G.S. 105-164.13(23)	Certain packaging items.
G.S. 105-164.13(39)	Sales of certain items to a commercial printer or publisher.
G.S. 105-164.13(43b)	Computer software or digital property that becomes a component part of other computer software or digital

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	property that is offered for sale or of a service that is offered for sale.
G.S. 105-164.13(52)	Certain purchases by a State agency.
G.S. 105-164.13(54)a.	Telecommunications service that is a component part of or is integrated into a telecommunications service that is resold
G.S. 105-164.13(54)e.	Telecommunications service purchased or provided by a State agency or a unit of local government for the State Network or another data network owned or leased by the State or unit of local government.
G.S. 105-164.13(57)	Fuel and electricity sold to a manufacturer. The exemption does not apply to electricity used at a facility at which the primary activity is not manufacturing.
G.S. 105-164.13(62)	An item used to maintain or repair tangible personal property or a motor vehicle pursuant to a service contract if the purchaser is not charged for the item.
G.S. 105-164.13E	Certain exemptions for items purchased by a qualifying farmer or a conditional farmer.

3. If your state requires the use of an ID number, place an "X" next to each of the numbers below that are acceptable in your state:

- A state-issued business number
- A state-issued exemption number
- A state-issued driver's license number
- A United States federal ID number

4. Do you allow the purchaser to use its SSTID in lieu of a state issued ID number?

SSTID Allowed \_\_\_\_\_ SSTID Not Allowed

5. Does your state have any other special requirements to claim an exemption (e.g., provision of a manufacturer's or agricultural form or reseller's certificate)? If so, please indicate those below.

Commercial logger exemption	G.S. 105-164.13(4f)
Products that are subject to tax under Article 5F of Chapter 105	G.S. 105-164.13(5a)
Commercial fisherman exemption	G.S. 105-164.13(9)
Veterinarians – drugs required by federal law to be dispensed only on prescription	G.S. 105-164.13(13)
Sales by merchants on the Cherokee Indian Reservation when such merchants are authorized to do business on the Reservation and are paying the tribal gross receipts levy to the Tribal Council	G.S. 105-164.13(25)

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Tangible personal property purchased solely for the purpose of export to a foreign country for exclusive use or consumption in that or some other foreign country – Form E-599C, Purchaser’s Affidavit of Export	G.S. 105-164.13(33)
State Agency Exemption	G.S. 105-164.13(52)
Qualifying Farmer or Conditional Farmer Exemption	G.S. 105-164.13E
Direct Pay Permit Holders (General)	G.S. 105-164.27A(a)
Direct Pay Permit Holders (Direct Mail)	G.S. 105-164.27A(a1)
Direct Pay Permit Holders (Telecommunications Service)	G.S. 105-164.27A(b)

6. Please provide any additional comments that you believe would be useful related to the use of exemption certificates and their requirements in your state.

For a complete listing of the general exemptions and exclusions and any special provision for such, visit the following link:

<http://www.ncga.state.nc.us/gascripts/statutes/statutelookup.pl?statute=105-164.13>

For additional information, visit the following link:

<http://www.dorn.com/taxes/sales/entities.html>