



E-589I

Affidavit to Exempt from Sales and Use Tax Certain Purchases of Tangible Personal Property by Contractors to Fulfill a Qualifying Contract with an Agricultural Exemption Certificate Number Holder

To be used in connection with purchases by contractors of items listed in former N.C. Gen. Stat. §§ 105-164.13(4c) & 105-164.13(4d) as outlined on page 2 of this affidavit, to fulfill a lump-sum or unit-price contract entered into, awarded, or entered into or awarded pursuant to a bid made prior to July 1, 2014. This affidavit is to be executed by the contractor to a supplier when purchasing qualifying items listed in former N.C. Gen. Stat. §§ 105-164.13(4c) & 105-164.13(4d).

For more information regarding the appropriate use of this affidavit, refer to Important Notice: Purchases by Contractors to Fulfill Contracts with a Qualifying or Conditional Farmer.

This is to certify that _____, a contractor, entered into a lump-sum or unit-price contract with _____ on, _____ or
Name of Agricultural Exemption Certificate Number Holder

pursuant to a firm bid made on, _____, whereby said contractor agreed to furnish items listed in former N.C.

Gen. Stat. §§ 105-164.13(4c) & 105-164.13(4d) pursuant to the lump-sum or unit-price contract. The agricultural exemption

certificate number issued to the holder prior to July 1, 2014 is

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. This affidavit is submitted to

_____, a supplier of items, for qualifying purchases by the contractor exempt

from the 4.75% State and applicable local and transit rates of sales and use tax.

It is understood and agreed that the contractor (subcontractor if applicable) will retain on file the original or duplicate original of said lump-sum or unit-price contract for examination by an authorized agent of the Secretary of Revenue of North Carolina with respect to the sales and use tax liability of the aforesaid contractor (subcontractor if applicable) or supplier.

Contractor/Subcontractor

By: _____
Authorized Agent Title Telephone Number Date

Instructions

1. This affidavit must be fully completed by a contractor that purchases a qualifying item listed below in item #6 that was in former N.C. Gen. Stat. §§ 105-164.13(4c) & 105-164.13(4d) to fulfill a lump-sum or unit-price contract where such contract was entered into, awarded, or entered into or awarded pursuant to a bid made prior to July 1, 2014 with an agricultural exemption certificate number holder. If a contractor subcontracts any portion of the lump-sum or unit-price contract, the subcontractor must fully complete this affidavit in order to make a qualifying purchase exempt from sales and use tax. The affidavit must be submitted by such contractor (subcontractor if applicable) to a supplier as evidence of the holding of such lump-sum or unit-price contract.
2. The agricultural exemption certificate number that was issued by the Department prior to July 1, 2014 is six digits and begins with numeral one. The contractor or subcontractor is permitted to use the agricultural exemption certificate number issued to the agricultural exemption certificate number holder who will ultimately use the item for which the affidavit is used.
3. The supplier and the contractor (subcontractor if applicable) should retain the affidavit on file for a period of not less than three years.
4. The contractor (subcontractor if applicable) must retain on file the original or duplicate original of the lump-sum or unit-price contract.
5. Purchase orders, invoices, shipping orders, delivery tickets, or any other pertinent records of the supplier and contractor (subcontractor if applicable) must be subject to examination as evidence of such facts.
6. N.C. Gen. Stat. §§ 105-164.13(4c) & 105-164.13(4d), repealed effective July 1, 2014, exempted the sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services from the sales and use tax imposed by Article 5 (Sales and Use Tax) and Subchapter VIII of Chapter 105 of the N.C. General Statutes:

(4c) Any of the following items concerning the housing, raising, or feeding of animals:

- a. Commercially manufactured facilities to be used for commercial purposes for housing, raising, or feeding animals or for housing equipment necessary for these commercial activities.
- b. Building materials, supplies, fixtures, and equipment that become a part of and are used in the construction, repair, or improvement of an enclosure or a structure specifically designed, constructed, and used for housing, raising, or feeding animals or for housing equipment necessary for one of these commercial activities.
- c. Commercially manufactured equipment, and parts and accessories for the equipment, used in a facility that is exempt from tax under [N.C. Gen. Stat. § 105-164.13(4c)] or in an enclosure or a structure whose building materials are exempt from tax under [N.C. Gen. Stat. § 105-164.13(4c)].

(4d) Any of the following tobacco items:

- a. The lease or rental of tobacco sheets used in handling tobacco in the warehouse and transporting tobacco to and from the warehouse.
- b. A metal flue sold for use in curing tobacco, whether the flue is attached to a handfired furnace or used in connection with a mechanical burner.
- c. A bulk tobacco barn or rack, parts and accessories attached to the tobacco barn or rack, and any similar apparatus, part, or accessory used to cure or dry tobacco or another crop.

Under the provisions of N.C. Gen. Stat. § 105-236(7), any person who willfully attempts, or who aids or abets any person to attempt, in any manner to evade or defeat any tax imposed by law, or the payment of the tax, is guilty of a Class H felony. For misuse of an exemption certificate, the Secretary must assess against the purchaser a penalty of \$250.