



**Sales and Use Tax Division
North Carolina Department of Revenue
Post Office Box 25000
Raleigh, North Carolina 27640-0001
www.ncdor.gov**

IMPORTANT NOTICE: QUALIFIED JET ENGINE

Effective October 1, 2015, each qualified jet engine sold at retail or purchased for storage, use, or consumption in this State is subject to the 4.75% general State rate of sales or use tax. N.C. Gen. Stat. § 105-467(a) as amended provides that the sales price of a qualified jet engine is not subject to the local and transit rates of sales and use tax. A "qualified jet engine" is "[a]n engine certified pursuant to Part 33 of Title 14 of the Code of Federal Regulations."

A person that purchases a qualified jet engine may apply to the Secretary for a direct pay permit. The maximum use tax on a qualified jet engine is two thousand five hundred dollars (\$2,500) for a person that purchases a qualified jet engine under a direct pay permit; otherwise, no maximum tax is applicable. A person who purchases a qualified jet engine under a direct pay permit is required to file a return and pay the tax due monthly to the Secretary.

Registration and Reporting the Tax

A person who is not registered with the Department for sales and use tax purposes and that is required to remit sales or use tax on the sale or purchase of a qualified jet engine may register online to obtain a sales and use tax account using the [online business registration portal](#).

The gross receipts derived from a taxable retail sale or a taxable purchase for storage, use, or consumption in this State of a qualified jet engine and the 4.75% general State rate of sales or use tax due thereon is to be reported on Line 4 of Form E-500, Sales and Use Tax Return, or through the Department's [online filing and payment system](#).

Assistance

General questions regarding this notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).

To the extent that there is any change in statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance regarding sales and use tax issued prior to the date of this notice conflicts with this important notice, the provisions contained in this important notice supersede.