



**Sales and Use Tax Division  
North Carolina Department of Revenue  
Post Office Box 25000  
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[www.ncdor.gov](http://www.ncdor.gov)**

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**IMPORTANT NOTICE: REAL PROPERTY CONTRACT LIST  
AND TANGIBLE PERSONAL PROPERTY LIST**

The following lists provide general guidance to assist in determining if an item of tangible personal property is installed or applied to real property and becomes part of real property as part of a real property contract or if the transaction is a sale and installation of such tangible personal property. Tangible personal property is generally installed or applied to real property when it is attached to the real property in a fixed or immovable manner that results in the tangible personal property becoming part of the real property. **This notice is revised effective June 4, 2015 to clarify the lists included herein by category. These lists are intended to be instructive to each item or transaction, but the facts and circumstances for a particular transaction could alter the application of the tax.**

See the [Important Notice: Real Property Contracts](#), dated November 19, 2014 available on the Department's website, [www.ncdor.gov](http://www.ncdor.gov), for additional information.

**Real Property Contract List**

N.C. Gen. Stat § 105-164.4(a)(13) applies the general 4.75% State and applicable local and transit rates of sales and use tax to the sales price of tangible personal property sold to a real property contractor for use by the real property contractor in erecting structures, building on, or otherwise improving, altering, or repairing real property in the State. Such sales are taxed in accordance with N.C. Gen. Stat. § 105-164.4H. **The statutory provisions for a real property contractor under N.C. Gen. Stat. §§ 105-164.4(a)(13) and 105-164.4H apply to sales made on or after January 1, 2015 and contracts entered into on or after that date.** N.C. Gen. Stat § 105-164.4H(a) provides, in part, "[a] real property contractor is the consumer of the tangible personal property that the real property contractor installs or applies for others and that becomes part of real property." N.C. Gen. Stat § 105-164.3(33a) defines a "[r]eal property contractor" as "[a] person that contracts to perform construction, reconstruction, installation, repair, or any other service with respect to real property and to furnish tangible personal property to be installed or applied to real property in connection with the contract and the labor to install or apply the tangible personal property that becomes part of real property. The term includes a general contractor, a subcontractor, or a builder for purposes of [N.C. Gen. Stat. §] 105-164.4H." The following is not an all inclusive list:

- Above or below ground pool (not portable)
- Above or below ground tank (gas, septic, etc.) (not portable)
- ATM banking machine and shelter built for the machine
- Awning
- Astroturf
- Bank vault

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- Barn (not intended to be moved)
  - Bathroom and kitchen fixtures (sinks, tubs, toilets, non suction safety equipment, etc.)
  - Barbeque or outdoor kitchen (not portable)
  - Billboard
  - Bolt-down stool base, with stool
  - Bolt-down table base with table top affixed
  - Cabin (exceptions for park model homes may apply)
  - Cabinets, cabinet refacing, etc.
  - Car wash equipment (not portable)
  - Carpeting (excludes rug, bound carpet, etc.)
  - Carport
  - Ceiling fan
  - Central vacuum system
  - Chest freezer (built-in only)
  - Cold storage (built-in cold storage room)
  - Compactor (not portable)
  - Compressed air system (not portable)
  - Concrete slab or foundation
  - Cooler (walk-in, permanent)
  - Countertop (resurfaced, granite, quartz, etc.)
  - Culvert
  - Custom closet
  - Custom fabricated counter
  - Custom fabricated railing
  - Custom plantation shutters
  - Deck
  - Dishwasher (not portable)
  - Driveway (asphalt, cement, rock)
  - Drop-in cooking range (cook top)
  - Drywall
  - Duct and ductwork installed in wall, ceiling, and floor
  - Dust collection system (not portable)
  - Elevator
  - Exterior door
  - Exterior lighting (lamp post, porch light)
  - Exterior shutter
  - Fabricated metal catwalk or stairwell
  - Fencing (picket, chain-link, wood, electric; not temporary construction zone fencing)
  - Fire alarm system
  - Fire sprinkler system
  - Fireplace (insert, box)
  - Flag pole
  - Flooring for computer rooms
  - Flooring (hardwood, laminate, tile, etc.)
  - Free standing garage
  - Freezer locker

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- Garage door opener (excludes separate sales of remote or keypad, etc. unless permanently attached)
  - Garbage disposal (not portable)
  - Gas line
  - Gas logs
  - Generator (not portable)
  - Glass replacement for real property (door, window, etc.)
  - Grab bar for restroom (non-suction)
  - Gutters
  - Handicap ramp
  - Hard window treatment (cornice, vertical blinds, horizontal blinds, etc.)
  - Heat exchanger in bulk tobacco barn
  - Hood (range, exhaust)
  - Hot tub (built-in)
  - Hurricane shutters
  - HVAC system, heat pump, electric furnace, central air conditioning system
  - Installed door (louver, sliding glass, garage door, storm door)
  - Insulation (sprayed, rolled, etc.)
  - Intercom or sound system (not portable)
  - Interior trim
  - Interior wall paneling
  - Irrigation or sprinkler system
  - Landscaping
  - Light fixture
  - Mailbox, mailbox post
  - Manufactured home / land package
  - Modular home / land package
  - Molding (crown, shoe, door, and window)
  - Outdoor lighting (parking lot paving & lighting)
  - Over range microwave
  - Paint spray booth
  - Parking meter
  - Patio structure (not portable fire pit, pergola, built-in grill)
  - Pellet stove
  - Pool enclosure (not portable)
  - Ready mix concrete
  - Refrigerator (built-in sub zero)
  - Replacement attic ladder
  - Roofing (asphalt, tile, slate, wood, etc.)
  - Safe (not portable)
  - Satellite television dish
  - Safe-deposit box
  - Screen (indoor movie or outdoor drive-in theater)
  - Security system (excludes separate sales of remote or keypad unless permanently attached)
  - Septic tank

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- Sewer and waste water line
  - Sidewalk (stone, concrete, etc.)
  - Siding (vinyl, cedar, aluminum, etc.)
  - Sign (not portable)
  - Sod
  - Solar panel
  - Storage (shelving, garage organizers; excludes portable items)
  - Storm drainage system
  - Sump pump (not portable)
  - Sunroom
  - Swamp cooler (not portable)
  - Theater seats
  - Tile (flooring, countertop, backsplash, walls, etc.)
  - Tower (television, radio, cellular, two-way radio, etc.)
  - Wallcovering (paint, wallpaper, etc.)
  - Wall oven
  - Water cooler (not portable)
  - Water heater (tankless, gas, electric)
  - Water treatment system (ultraviolet, softeners, filtration)
  - Wind turbine
  - Window (storm, single-hung, double-hung, etc.)

### **Tangible Personal Property List (Retail Sale and Installation)**

N.C. Gen. Stat. §105-164.3(34) defines "[r]etail sale or sale at retail" as "[t]he sale, lease, or rental for any purpose other than for resale, sublease, or subrent." N.C. Gen. Stat. § 105-164.3(35)(a) defines "[r]etailer," in part, as a person engaged in the business of "[m]aking sales at retail, offering to make sales at retail, or soliciting sales at retail of tangible personal property . . . in this State." N.C. Gen. Stat. §105-164.3(46) states, in part, "[t]angible personal property" is "[p]ersonal property that may be seen, weighed, measured, felt, or touched or is in any other manner perceptible to the senses. . . ." The following items in this list generally represent tangible personal property sold at retail by a retailer that is responsible for collecting the general 4.75% State and applicable local and transit rates of sales and use tax. The following is not an all inclusive list:

- ATM machine (portable)
- Asphalt batch plants (portable)
- Clothes washer or dryer (electric or gas)
- Commercial ice machine at convenience store
- Commercial refrigeration equipment
- Countertop appliances (microwaves, toaster ovens, etc.)
- Dumpster
- Freezer (chest, upright, other than built-in)
- Humidifier
- Play set (not affixed with concrete or other permanent adherence)
- Portable dishwasher
- Refrigerator display case (stand-alone)
- Refrigerator (except sub-zero built-in/custom)

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- Service station equipment (pumps, movable or portable tanks, lifts, etc.)
  - Sheds or prefab storage buildings (unless electricity, permits, etc. are included/required)
  - Slide-in range
  - Soft window treatment (curtains, drapes)
  - Spray booth (not built-in)
  - Sump pump (portable)
  - Swamp cooler (portable)
  - Temporary fence for road repair
  - Upright freezer (not built-in)
  - Window air conditioner (window installation)
  - Wine cooler (not built-in)

### **Assistance**

Questions regarding this notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free). Additional information will be published by the Department in the near future regarding the issues contained within this notice.

*This Important Notice is based on legislation that is in effect as of January 1, 2015. To the extent that there is any change in statute or regulation, or a new case law subsequent to January 1, 2015, 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.*