



Sales and Use Tax Return, Form E-500 Preparation Checklist

Use the following checklist to assist in preparing and submitting your paper tax return. This checklist should assist to eliminate common errors and result in efficient processing by the Department. To eliminate common filing errors, consider filing sales and use tax returns electronically using the Department's online [file and pay](http://www.ncdor.gov). (www.ncdor.gov → Taxes & Forms → Sales & Use Tax → File and pay now)

Checklist:

- Verify the preprinted form is completed and submitted for the correct tax period.
- If you do not have a preprinted form, visit the following link to access a blank sales and use tax return: [Form E-500, Sales and Use Tax Return](http://www.ncdor.gov). (www.ncdor.gov → Taxes & Forms → Sales & Use Tax → Download Forms and Instructions - blue tab on right → Tax Return Forms & Schedules → Form E-500)
- Verify the filing frequency and the due date of your return. The filing frequency and due date is located in the upper left hand corner of your preprinted form. The general filing frequencies and due dates are on the Department's website at the following link: [Filing Frequencies & Due Dates](http://www.ncdor.gov) . (www.ncdor.gov → Taxes & Forms → Sales & Use Tax → Filing Requirements and Payment Options → Filing Frequency and Due Dates)
- Verify the tax rate for the county or counties in which you operate a business, make deliveries, or ship products to customers. Visit the link below to access an electronic copy of Form GEN-562 sorted alphabetically by city to review tax rates for counties: [Form GEN-562 \(by city\)](http://www.ncdor.gov) . (www.ncdor.gov → Taxes & Forms → Sales & Use Tax → Tax Rates & Other Information → Taxes Rates → By Alphabetical City → Form Gen 562)
- File one return for each account number for each tax period.
- Do not submit a paper return for a tax period in addition to filing a return electronically for the same tax period.
- Ensure the check or money order indicates the filing period and account number in the memo area.
- If you do not owe any tax for a filing period, file a return showing zero (0.00) on Line 21.
- For tax due returns, does the check or money order amount equal the amount due per Line 21 of the completed sales and use tax return?
- File the return and pay the amount due by the due date to avoid penalties and interest.

- Is the return filed after the due date? If so, review the instructions for Lines 16 and 17 in the coupon booklet to determine the proper penalties and interest due.
- If you have transacted business in or shipped product to more than one county, complete [Form E-536, Schedule of County Sales and Use Taxes](#) from the list of forms and submit with Form E-500, Sales and Use Tax Return. (www.ncdor.gov → Taxes & Forms → Sales & Use Tax → Download Forms & Instructions – blue tab on right → Tax Return Forms & Schedules → Form E-536)
- Include a detailed explanation and supporting documentation on a separate sheet of paper for tax credits claimed on Line 20 of the return. Failure to do so may result in a disallowance of the credit amount.
- Check your numbers for math errors.
- If you have overpaid** your tax liability for a previously filed period, complete [Form E-588, Business Claim for Refund State and County Sales and Use Taxes](#). (www.ncdor.gov → Taxes & Forms → Sales & Use Tax → Amended Returns and Refund Claims → Form E-588)
- If you have underpaid** your tax liability for a previously filed period, use one of the two preprinted forms marked “Amended Return” in the coupon booklet or write “Amended” at the top of a Form E-500 to report corrections for that period. The amended return should reflect your figures as corrected.
- Ensure the return is filled out completely.
- Ensure handwritten numbers are legible.
- Ensure the return is signed and reflects the current date.