

Compensation for Certified Service Providers and Certified Automated System Sellers

Certified Service Providers

A certified service provider (CSP) is a vendor that has entered into contracts with the Streamlined Sales Tax Governing Board (SSTGB) and the North Carolina Secretary of Revenue (Secretary) to provide collection and remittance services for sales and use tax for sellers. Pursuant to G.S. 105-164.42I, the Secretary, in association with the SSTGB, has established compensation amounts to be paid to a CSP for the CSP's services. The rate of compensation is based on the amount of taxes due yearly from volunteer sellers for all member states. Set out below is the schedule of compensation.

| <u>Tax Remitted per Seller for all States</u> | <u>Rate</u> |
|-----------------------------------------------|-------------|
| ≤ \$250,000 | 8% |
| > \$250,000 and ≤ \$1,000,000 | 7% |
| > \$1,000,000 and ≤ \$2,500,000 | 6% |
| > \$2,500,000 and ≤ \$5,000,000 | 5% |
| > \$5,000,000 and ≤ \$10,000,000 | 4% |
| > \$10,000,000 and ≤ \$25,000,000 | 3% |
| > \$25,000,000 | 2% |

Certified Automated System Sellers

A certified automated system seller is a seller that has acquired a certified automated system approved by the SSTGB and the Secretary to collect and remit sales and use tax on taxable sales. Pursuant to G.S. 105-164.42E(7), the Secretary, in association with the SSTGB, has authorized payment of a monetary allowance for sales and use taxes collected by a volunteer seller. The rate of monetary allowance is 1.5% of tax due with a maximum allowance of \$10,000 per year. The monetary allowance can be taken for a period of twenty-four (24) months from the effective date of the installation of the certified automated system.

General Information

A volunteer seller is a seller that does not have a legal requirement to register to collect sales or use tax in the State. A CSP or certified automated system seller shall file the simplified electronic return (SER) that is a component of the certified automated system and the amount of allowable compensation should be deducted from tax due on the appropriate line of the SER. For additional information on filing an SER, please refer to Information for Streamlined Sales Tax Participants.