

October 2005

North Carolina Department of Revenue  
Post Office Box 25000  
Raleigh, North Carolina 27640-0001

**IMPORTANT NOTICE: Incentive Claim for Refund for Aviation Fuel for Motorsports**

Effective January 1, 2006

The 2005 General Assembly enacted a refund of State and county sales and use tax paid on purchases of aviation fuel by a motorsports racing team or a motorsports sponsoring body that is used to travel to or from a motorsports event in North Carolina, to travel to a motorsports event in another state from a location in North Carolina, or to travel to North Carolina from a motorsports event in another state. A "motorsports event" includes a motorsports race, a motorsports sponsor event, and motorsports testing.

The refund of sales and use tax applies to tax paid on applicable purchases of aviation fuel made on or after January 1, 2005. The refund is repealed for tax paid on purchases made on or after January 1, 2007. A claim for refund is made on an annual basis based on the State's fiscal year of July 1 through June 30. A claim for refund is due within six months after the end of the State's fiscal year. For the period January 1, 2005 through June 30, 2005, a claim for refund of tax paid on aviation fuel purchases by qualifying motorsports entities is due by December 31, 2005.

Form E-588A, Incentive Claim for Refund for Aviation Fuel for Motorsports State and County Sales and Use Taxes, is to be used by a motorsports racing team or a motorsports sponsoring body to request a refund of tax on aviation fuel purchases. Claimants will be required to apportion the amount of North Carolina State and county sales and use tax paid based on the number of miles traveled within North Carolina, from out-of-state locations into North Carolina, and from North Carolina to out-of-state locations for eligible and ineligible purposes. Claimants that pay local sales and use tax in multiple counties are required to set out the amount of tax attributable to each county and apply the percentage of travel derived for eligible and ineligible purposes.

Form E-588A is available on the Department's website at [www.dornrc.com](http://www.dornrc.com) or can be requested from the Department's Forms Line at toll-free telephone number 1-877-252-3052. Questions about the claim for refund can be directed to the Taxpayer Assistance Division at 1-877-252-3052 or in writing to the Taxpayer Assistance Division, North Carolina Department of Revenue, P.O. Box 25000, Raleigh, N.C. 27640-0001.