



**Sales and Use Tax Division  
North Carolina Department of Revenue  
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**IMPORTANT NOTICE:**

**State Sales and Use Tax Rate Scheduled to Decrease July 1, 2011**

The general State sales and use tax rate is scheduled to reduce from 5.75% to 4.75% effective July 1, 2011. You are encouraged to check the Department's website for updates to stay informed of any changes as proposed legislation has been introduced that may affect the State tax rate reduction.

**Effective July 1, 2011, the general State tax rate applicable to sales and purchases of tangible personal property, certain digital property, and certain services is 4.75%.** As a result, the general State and local tax rate will be 6.75% in eighty-two counties, 7% in Alexander, Catawba, Cumberland, Duplin, Haywood, Hertford, Lee, Martin, New Hanover, Onslow, Pitt, Randolph, Robeson, Rowan, Sampson, Surry and Wilkes Counties, and 7.25% in Mecklenburg County.

**Effective July 1, 2011, gross receipts derived from providing telecommunications service, ancillary service, and video programming in this State, and sales of spirituous liquor other than mixed beverages are subject to the "combined general rate" of 7% for every county in the State.** The combined general rate is the State's general rate plus the sum of the rates of local taxes authorized for every county in the State.

Taxpayers that file Form E-500, Sales and Use Tax Return, should report taxable purchases for use and taxable receipts at the 4.75% Gen. State Rate on the existing returns. The Department will not create and provide new returns.

Taxpayers that file Form E-500E, Utility and Liquor Sales and Use Tax Return, should report the tax liability on the existing returns. Prior to August 1, 2011, a worksheet will be created and posted by the Department on its website for use in completing Form E-500E returns.

**Additional information regarding the general State sales and use tax rate will be posted by the Department on the website prior to July 1, 2011.** Questions about the notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).