



## North Carolina Department of Revenue

Beverly Eaves Perdue  
Governor

David W. Hoyle  
Secretary

August 21, 2012

### **To: Vendors Participating in the 2012 Democratic National Convention:**

Under the provisions of N. C. Gen. Stat. § 105-164.4, every retailer engaged in business in North Carolina must collect and remit the applicable general State and local sales taxes on taxable sales of tangible personal property, certain digital property and certain services, made in or sourced to North Carolina. The tax must be stated and charged separately on the invoices or other documents of the retailer given to the purchaser at the time of the sale except for (1) vending machine sales and (2) where a retailer displays a statement indicating the sales price includes the tax. The general State and local sale tax rate in Mecklenburg County is **7.25%**.

**Registered vendors** that sell products during the convention and that have an active sales and use tax account should display a copy of their existing Certificate of Registration previously issued by the Department or other evidence of registration. Registered vendors should report sales tax collected on transactions during the convention along with other taxable sales on Form E-500, Sales and Use Tax Return, due October 2012.

**Nonregistered vendors** that sell products during the convention must record total sales made in or sourced to North Carolina and complete Form [E-557, Sales and Use Tax Return for Itinerant Merchants](#). We have completed an [example Form E-557](#) as a guide to reference during preparation of the required form. Nonregistered vendors must submit a completed Form E-557 along with full payment of the tax to the North Carolina Department of Revenue located at 301 McCullough Drive, Suite 300, Charlotte, NC 28262 on or before September 13, 2012. Payment must be made in U.S. dollars by check or money order drawn on a U. S. (domestic) bank payable to the North Carolina Department of Revenue. Do not mail cash or post dated checks with your form(s).

**Vendors that provide products free of charge** during the convention are potentially liable for use tax on the purchase price of products given away. N. C. Gen. Stat. § 105-164.6 imposes an excise tax on tangible personal property or digital property purchased, leased, or rented inside or outside this State for storage, use, or consumption in this State. Vendors registered for sales and use tax purposes should remit the applicable use tax on purchases at the general State and local use tax rate in Mecklenburg County of 7.25% on [Form E-500, Sales and Use Tax Return](#), due October 2012. Nonregistered vendors must report and pay the applicable 7.25% use tax on Form E-557 and submit to the Charlotte, NC address noted above by September 13, 2012.

Vendors that fail to remit the applicable sales and use taxes as discussed above will likely be contacted by the Department. Penalties and interest will be assessed on sales and use taxes that are not timely remitted to the Department.

Additional information regarding North Carolina Sales and Use Taxes are available by visiting the Department's website. If you have any questions regarding this letter, please contact our office at (704) 519-3000 and select option 2.