



North Carolina Department of Revenue

Beverly Eaves Perdue
Governor

David W. Hoyle
Secretary

December 13, 2010

Federal ID: [REDACTED]
Account ID: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

Attention: [REDACTED], Vice President

Dear Mr. [REDACTED]:

We have your letter of May 17, 2010 requesting a private letter ruling determining the sales tax considerations for charges for the lease or rental of mobile storage units as well as the charges for storage and moving of customers' belongings.

In your letter you state that your firm "delivers mobile storage units to homeowners and businesses to load and store on their property or in your climate controlled warehouse".

N.C.G.S. 105-164.4(a)(2) imposes a tax at the general State and applicable local rate on the gross receipts derived from the lease or rental of tangible personal property by a person who is engaged in the business of leasing or renting tangible personal property, or is a retailer and leases or rents property of the type sold by the retailer. The applicable percentage rate is the rate and the maximum tax, if any, that applies to a sale of the property that is leased or rented. A person who leases or rents property shall also collect the tax imposed by this section on the separate retail sale of the property.

Pursuant to N.C.G.S. 105-164.4(a)(2), the gross receipts derived from the lease or rental of the mobile storage units which are left at the lessees' premises for storage of their belongings are subject to North Carolina sales tax. The tax is levied on the gross receipts which includes delivery charges, set-up and pick up charges and insurance fees.

The charges for units which are delivered to customers' premises to be packed by them or your firm and which, after a specified period, are picked up for delivery to your firm's warehouse or to a new location for unpacking by the customer or your firm are not subject to North Carolina sales and use tax.

This ruling is based solely on the facts submitted to the Department of Revenue for consideration of the transactions described. If the facts and circumstances given are not accurate, or if they change, then the taxpayer requesting this ruling may not rely on it.

If a taxpayer relies on this ruling and the Department discovers, upon examination, that the fact situation of the taxpayer is different in any material aspect from the facts and circumstances given in this ruling, then the ruling

will not afford the taxpayer any protection. It should be noted that this document is not to be cited as precedent and that a change in statute, a regulation, or case law could void this ruling.

Very truly yours,

[REDACTED]
Administration Officer
Sales and Use Tax Division

[REDACTED]
cc: [REDACTED], Director of Sales and Use Tax Division
[REDACTED], Assistant Director of Sales and Use Tax Division