

Additional Instructions for Form E-585S

General Information

Use Form E-585S to seek the following types of refunds:

- **Major Recycling Facility** – The owner of a major recycling facility may request an annual refund of sales and use tax paid by the owner on building materials, building supplies, fixtures, and equipment that become a part of the real property of the major recycling facility. Liability incurred indirectly by the owner for sales and use taxes on these items is considered tax paid by the owner. You must file a request for refund within six months after the end of the State’s fiscal year.
- **Eligible Railroad Intermodal Facility** – The owner or lessee of an eligible railroad intermodal facility may request an annual refund of sales and use taxes paid on building materials, building supplies, fixtures, and equipment that become a part of the real property of the facility. Liability incurred indirectly by the owner or lessee of the facility for sales and use taxes on these items is considered tax paid by the owner or lessee. You must file a request for refund within six months after the end of the State’s fiscal year. **This refund provision is repealed for purchases made on or after January 1, 2038.**
- **Professional Motorsports Team** – A professional motorsports racing team or a related member of the team may request an annual refund of 50% of the sales and use taxes paid in this State on tangible personal property, other than tires or accessories, that comprises any part of a professional motor sports vehicle. “Motorsports accessories” includes instrumentation, telemetry, consumables, and paint. You must file a request for refund within six months after the end of the State’s fiscal year. **This refund provision is repealed for purchases made on or after January 1, 2028.**

If you file a claim for refund within the statute of limitations, the Department must take one of the following actions within six months after the date the claim for refund is filed: (1) send you a refund of the amount shown due on the claim for refund; (2) adjust the amount of the refund shown due and send you a refund of the adjusted amount; (3) deny the refund and send you a notice of proposed denial; or (4) request additional information from you. If the Department does not take one of the actions within six months, the inaction is considered a proposed denial of the requested refund. You may object to a proposed denial of a refund by filing Form NC-242, Objection and Request for Departmental Review within the time provided in N.C. Gen. Stat. § 105-241.11.

If the Department determines that your claim for refund was not filed within the statute of limitations the Department will issue a notice of denied refund. The Department’s notice of denied refund will provide the appeal procedures you must follow to contest the Department’s determination.

Line by line instructions are included on page 2 of the additional instructions.

Line by Line Instructions

Part 1 - You must complete Lines 1 through 6 if you are seeking a major recycling facility refund or an eligible railroad intermodal facility refund.

- Line 1 - If you paid county and transit taxes included on this form for only one county, enter the name of that county. If you paid county and transit taxes included on this form for more than one county, do not enter a county on Line 1 (you must complete Form E-536R).
- Line 2 - In the State column, enter the total amount of refundable purchases of tangible personal property for use on which North Carolina State sales or use tax was paid to retailers. In the County & Transit column, enter the total amount of refundable purchases of tangible personal property for use on which county and transit sales or use tax was paid to retailers. Do not include the amount of tax paid on such purchases or purchases of items for resale.
- Line 3 - In the State column, enter the total amount of North Carolina State sales and use tax paid directly to retailers on refundable purchases for use, as shown on sales receipts or invoices. In the County & Transit column, enter the total amount of total county and transit sales and use tax paid directly to retailers on refundable purchases for use as shown on sales receipts or invoices.
- Line 4 - In the State column, enter the total amount of North Carolina State sales and use tax paid indirectly as shown on contractors' statements on refundable purchases. In the County & Transit column, enter the total amount of county and transit sales and use tax paid indirectly as shown on contractors' statements on refundable purchases.
- Line 5 - In the State column, enter the total amount of North Carolina State use tax paid on refundable purchases by your business to the Department on your sales and use tax returns. In the County & Transit column, enter the total amount of county and transit use tax paid on refundable purchases by your business to the Department on your sales and use tax returns.
- Line 6 - Add the amounts in the State column on Lines 3, 4, and 5 and enter the total in the State column. Add the amounts in the County & Transit column on Lines 3, 4, and 5 and enter the total in the County & Transit Column. **If you paid county or transit tax in more than one county, you must complete Form E-536R, Schedule of County Sales and Use Taxes for Claims for Refund.**

Reminder: You must complete Part 3.

Part 2 - You must complete Lines 7 through 10 if you are seeking a Professional Motorsports Team or Related Member Refund.

- Line 7 - If you paid county and transit taxes included on this form for only one county, enter the name of that county. If you paid county and transit taxes included on this form for more than one county, do not enter a county on Line 1 (you must complete Form E-536R).
- Line 8 - In the State column, enter the total amount of refundable purchases of tangible personal property for use on which North Carolina State sales or use tax was paid. In the County & Transit column, enter the total amount of refundable purchases of tangible personal property for use on which county and transit sales or use tax was paid. Do not include the amount of tax paid on such purchases in the total amounts entered on Line 8.
- Line 9 - In the State column, enter the total amount of North Carolina State sales and use tax paid on refundable purchases. In the County & Transit column, enter the total amount of county and transit sales and use tax paid on refundable purchases.
- Line 10 - Multiply the amount in the State column on Line 9 by **50%** and enter the result. Multiply the amount in the County & Transit column on Line 9 by **50%** and enter the result. **If you paid county or transit tax in more than one county, you must complete Form E-536R, Schedule of County Sales and Use Taxes for Claims for Refund.**

Reminder: You must complete Part 3.

Part 3 - You must complete Lines 11 and 12, sign, date, and enter your title and telephone number.

- Line 11 - Add the amounts in the State column and the County & Transit column on Lines 6 or 10. This is the total amount your refund request.
- Line 12 - Allocate the amount on line 6 or 10 of the County & Transit to the applicable rate. **If you paid county or transit tax in more than one county, you must complete Form E-536R, Schedule of County Sales and Use Taxes for Claims for Refund.** The total amounts in each column of Form E-536R must equal the total amounts on Line 12 of this form.

If you have questions about how to complete the form, you may call the Department toll-free at 1-877-252-3052.