

DIRECTIVE

Subject: Exemption for Wildlife Managers
Tax: Sales and Use Tax
Law: N.C. Gen. Stat. §§ 105-164.3, 105-164.4, 105-164.6, 105-164.13F, and 105-164.28A
Issued By: Sales and Use Tax Division
Date: August 29, 2022
Number: SD-22-1

This directive provides the interpretation of the Secretary of Revenue regarding the tax exemption for qualifying items purchased by a wildlife manager that are used primarily for wildlife management activities.

The following important information is addressed in this directive:

- New definitions that apply to the exemption.
- Who can make exempt purchases?
- What items qualify for the exemption?
- How do you apply for an exemption certificate number?
- When does an exemption certificate number expire?
- How do you purchase exempt items?

Background

On June 30, 2022, Governor Cooper signed into law [Session Law 2022-45](#). The law creates an exemption from sales and use tax for sales of qualifying items to a wildlife manager (“Exemption”). N.C. Gen. Stat. 105-164.13F.

The Exemption applies to sales made on or after October 1, 2022.

Definitions

Wildlife management activities¹ - One or more of the activities for which wildlife conservation land must be used to qualify for the wildlife conservation land classification under N.C. Gen. Stat. § 105-277.15.

Wildlife manager² - A person who owns land classified and taxed as wildlife conservation land under N.C. Gen. Stat. § 105-277.15.

¹ N.C. Gen. Stat. § 105-164.13F(a)(1)

² N.C. Gen. Stat. § 105-164.13F(a)(2)

Who is Eligible to Make Exempt Purchases?

Wildlife Manager - A wildlife manager who holds a valid wildlife manager exemption certificate number ("Valid Exemption Number") may purchase qualifying items exempt from sales and use tax. A wildlife manager cannot purchase items exempt from tax prior to receiving a Valid Exemption Number. In addition, a wildlife manager cannot purchase items exempt from tax if the wildlife manager exemption certificate number is cancelled, expires, or the manager no longer qualifies for the Exemption.

Service Provider - A person who performs a service ("Service Provider") for a wildlife manager holding a Valid Exemption Number may purchase certain qualifying items exempt from sales and use tax.

Contractors - A contractor who has a contract with a wildlife manager holding a Valid Exemption Number may purchase certain qualifying items exempt from sales and use tax.

What Items Qualify for the Exemption?

The items that qualify for the Exemption depend on who purchases the item. The subsections below identify the qualifying items for each type of purchaser.

Items Purchased by a Wildlife Manager holding a Valid Exemption Number - To qualify, an item purchased by a wildlife manager must be used by the wildlife manager primarily for wildlife management activities and be one of the items listed below:

- (1) Feed and feeders.
- (2) Rodenticides, insecticides, herbicides, fungicides, and pesticides when their application is prescribed in and compatible with the objectives of the Wildlife Habitat Conservation Agreement.
- (3) Commercial fertilizer, lime, land plaster, mulch, plant plugs, seedlings, saplings, seeds, and seed inoculants.
- (4) Machinery used for one or more of the purposes listed in this subdivision. The term "machinery" includes implements that have moving parts or are operated by an animal. The term does not include implements operated solely by hand or motor vehicles required to be registered under Chapter 20 of the General Statutes. The purposes for which the machinery must be used are:
 - a. To establish, restore, enhance, or maintain wildlife habitats.
 - b. To access or develop access to wildlife habitats.
 - c. To implement other wildlife management practices, including land and forest conservation and management.
- (5) Fuel that is measured by a separate meter or another separate device and used only to operate machinery exempt under subdivision (4) of this subsection and used for one or more of the purposes listed in subdivision (4) of this subsection. Examples of a separate device include a tank, a container, and a transfer tank.
- (6) Fuel storage tanks, containers, transfer tanks, and pumps when used only to provide fuel to operate machinery exempt under subdivision (4) of this subsection and used for one or more of the purposes listed in subdivision (4) of this subsection.
- (7) Materials, supplies, fixtures, and equipment that become part of or are used for one or more of the following:

- a. The construction, repair, or improvement of an impoundment, wetland, or ephemeral pool specifically designed, constructed, and used for the benefit of one or more wildlife species.
 - b. Erosion control.
 - c. The installation and maintenance of infrastructure used to access land areas for wildlife management activities. Examples of this type of infrastructure include bridges, culverts, and gravel.
 - d. The construction and maintenance of structures used by wildlife for reproduction, travel, or cover. Examples of this type of structure include nest boxes, road crossing development, and structures providing cover or other valuable functions for life processes.
 - e. The construction and maintenance of fencing, signage, and other exclusion methods to protect wildlife from access by people or other species or to manipulate livestock access as a method of habitat management.
- (8) Repair, maintenance, and installation services for items exempt under this subsection.

Items Purchased by a Service Provider - An item purchased by a service provider must meet all of the following requirements to qualify for the Exemption:

- Purchased by the service provider to perform a service for a wildlife manager holding a Valid Exemption Number;
- Qualify for the Exemption if purchased directly by the wildlife manager; and
- Be listed in the “**Items Purchased by a Wildlife Manager Holding a Valid Exemption Number**” subsection.

Items Purchased by a Contractor - An item purchased by a contractor must meet all of the following requirements to qualify for the Exemption:

- Purchased by the contractor to fulfill a contract with a wildlife manager holding a Valid Exemption Number;
- Qualify for the Exemption if purchased directly by the wildlife manager; and
- Be one of the following items: materials, supplies, fixtures, and equipment that become part of or are used for one or more of the following:
 - The construction, repair, or improvement of an impoundment, wetland, or ephemeral pool specifically designed, constructed, and used for the benefit of one or more wildlife species.
 - Erosion control.
 - The installation and maintenance of infrastructure used to access land areas for wildlife management activities. Examples of this type of infrastructure include bridges, culverts, and gravel.
 - The construction and maintenance of structures used by wildlife for reproduction, travel, or cover. Examples of this type of structure include nest boxes, road crossing development, and structures providing cover or other valuable functions for life processes.
 - The construction and maintenance of fencing, signage, and other exclusion methods to protect wildlife from access by people or other species or to manipulate livestock access as a method of habitat management.

How to Apply for an Exemption Number

A wildlife manager must complete [Form E-595EA, Application for Exemption Certificate Number for Qualified Purchases](#) (“E-595EA”) to apply for a Valid Exemption Number. In addition, a wildlife manager must attach a completed [Form WM-1, Certification of Classification and Taxation as Wildlife Conservation Land Under G.S. 105-277.15](#), to the Form E-595EA. Once complete, the wildlife manager must submit Form E-595EA, including all required attachments, to the Department.

If approved, the Department will mail the applicant their Valid Exemption Number. A Valid Exemption Number will include a six digit exemption number that begins with the numeral nine.

Expiration of an Exemption Number

A Valid Exemption Number is valid for up to three years from the date it is issued and may be renewed.

A Valid Exemption Number will expire prior to three years if the wildlife manager stops engaging in wildlife management activities or if the land no longer qualifies for classification and taxation under N.C. Gen. Stat. § 105-277.15. The Exemption expires as soon as the wildlife manager stops engaging in wildlife management activities or the land no longer qualifies. If this occurs, the person who held the exemption certificate number must notify the Department within 30 days to cancel the exemption number. Notification should be in writing and mailed to the Department at N.C. Department of Revenue, Registration Unit, P.O. Box 25000, Raleigh, NC 27640-0001.

How to Make Eligible Purchases

A person must provide a retailer a properly completed [Form E-595E, Streamlined Sales and Use Tax Certificate of Exemption](#) (“Form E-595E”), or the required data elements, to purchase an item exempt from sales and use tax. In addition, a person must maintain records that demonstrate the purchased item qualifies for the Exemption. The following subsections provide more specific instructions based on who purchases an item.

Items Purchased by a Wildlife Manager - A wildlife manager holding a Valid Exemption Number must provide the retailer a properly completed [Form E-595E](#), or the required data elements, to purchase a qualifying item exempt from sales and use tax. The required data elements are: the wildlife manager’s name, address, Valid Exemption Number, type of business, reason for exemption, and, if providing a paper certificate, signature. On Form E-595E, the wildlife manager should select “other” as the reason for the exemption and list 105-164.13F in the space provided for an explanation. [Click here](#) to view a sample Form E-595E.

A wildlife manager that purchases an item exempt from tax must maintain records that substantiate the purchased item qualifies for the Exemption.

Items Purchased by a Service Provider - A service provider must provide the retailer a properly completed [Form E-595E](#), or the required data elements, to purchase an item exempt from sales and use tax. The Form E-595E, or required data elements, must include the following information:

