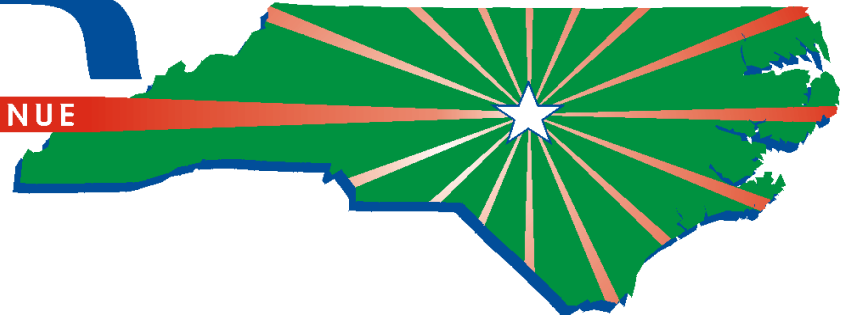


NORTH CAROLINA

NC DOR

DEPARTMENT OF REVENUE



NC Chiropractic Association



Eric K. Wayne, Sales & Use Tax Director

October 4, 2013

Disclaimer

- Presentations are for general information only
- Presentation content should not be interpreted as specific tax advice for a specific tax situation
- Some questions may require additional facts before a response may be given
- Some questions may require responses from other Departmental employees or employees in other agencies

How to Locate Help/Information

- Signup for eAlerts – www.dornc.com
- Headline Items
- Important Notices
- Annual Departmental Law Change Publication
- Annual Form E-505
- Technical Bulletins, Administrative Rules, Directives
- Interactive Voice Response (IVR) – FAQs (1-877-252-3052)
- Information for Businesses (www.dornc.com)
- Professional CPAs, Accountants, Attorneys, etc.



Registering to Remit Sales and Use Tax

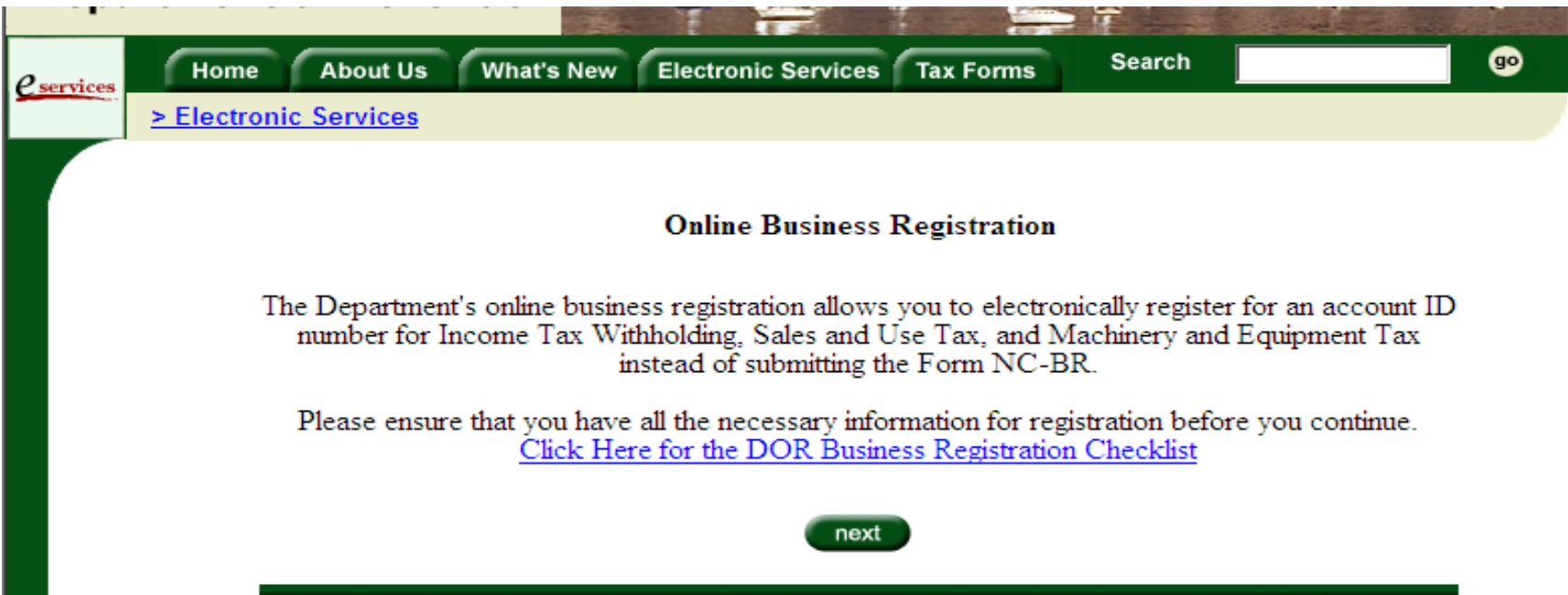
- **Online Registration (Quickest option)**

<http://www.dor.state.nc.us/electronic/registration/index.html>

- **Complete and Submit Form NC-BR**

http://www.dor.state.nc.us/downloads/forms_fillin_ncbr.php?url=fillin/NCBR_webfill.pdf

Online Business Registration



The screenshot shows a web browser interface. At the top left is the 'e services' logo. A navigation bar contains buttons for 'Home', 'About Us', 'What's New', 'Electronic Services', and 'Tax Forms'. To the right of these buttons is a search box with a 'go' button. Below the navigation bar, a breadcrumb trail shows '> [Electronic Services](#)'. The main content area is titled 'Online Business Registration'. The text reads: 'The Department's online business registration allows you to electronically register for an account ID number for Income Tax Withholding, Sales and Use Tax, and Machinery and Equipment Tax instead of submitting the Form NC-BR. Please ensure that you have all the necessary information for registration before you continue. [Click Here for the DOR Business Registration Checklist](#)'. At the bottom of the content area is a green button labeled 'next'.



Form NC-BR

NC-BR
Web-Fill
10-11

Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Machinery and Equipment Tax North Carolina Department of Revenue

Office Use
[] [] [] [] [] [] [] [] [] []

I. Identifying Information

1. Federal Employer ID No.: _____ or Proprietor's Social Security No.: _____

2. Type of Ownership: Proprietorship Corporation LLC Partnership LLP Fiduciary Other (Identify) _____
 If a corporation, state of incorporation: _____ If Corporation or LLC, enter N.C. Secretary of State ID No., if applicable: _____

3. Legal Business or Owner's Name: _____

4. Trade Name (DBA Name): _____

5. Daytime Business Phone: _____ 6. Fax Phone: _____

7. Business Location in N.C.:
 Street _____
 City _____ State _____ Zip Code _____ County _____
 (Not P.O. Box Number)

8. Is the business located within city or town limits? Yes No 9. Number of locations in N.C. _____ Enclose list if more than one.

10. Mailing Address:
 Street or P.O. Box _____
 City _____ State _____ Zip Code _____

11. List responsible persons (President, Treasurer, Chief Financial Officer, Manager, Primary Partners, other officers, etc.):

Name	Title	Social Security No.	Address

II. Withholding Tax Section

Complete to apply for an Income Tax Withholding Number.

-Do you have employees who are subject to N.C. withholding? Yes No -Date when wages were or will first be paid in N.C.: _____

-Do you make pension payments to N.C. residents? Yes No (You are required to file a return beginning with the month or quarter you indicate.)

If yes, do you choose to report the pension payment withholding separately? (See instructions) Yes No

-Do you pay compensation (other than wages to employees) to a nonresident entity or a nonresident individual for personal services performed in N.C.? Yes No

-Do you pay compensation (other than wages) to an ITIN contractor for services performed in N.C.? Yes No

-Total amount you expect to withhold each month: Less than \$250 (Quarterly) \$250 - \$2,000 (Monthly) more than \$2,000 (Semiweekly)

-If your business is seasonal, fill in circles for months employees are paid: Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

III. Sales and Use Tax Section

Complete to apply for a Sales and Use Tax Number. (You are required to file a return beginning with the month or quarter you indicate.)

-When will you start selling or purchasing items subject to N.C. sales or use tax? _____

-Will your sales be? Retail (to users or consumers) Wholesale (to registered merchants for resale) Both Retail and Wholesale

-What kind of business do you operate?

-What accounting method will you use? Cash Accrual -Are you registering only to remit use tax on purchases? Yes No

-Will you provide and sell electricity? Yes No -Will you provide and sell telecommunications services? Yes No

-Will you lease motor vehicles to others? Yes No -Will you provide and sell direct-to-home satellite services? Yes No

-Will you sell new tires? Yes No -Will you provide and sell other video programming services? Yes No

-Will you sell new appliances? Yes No

-Amount of sales tax expected each month: Less than \$100 (Quarterly) \$100 - \$20,000 (Monthly) More than \$20,000 (Monthly with Prepayment)

-If your business is seasonal, fill in circles for months of sales: Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

IV. Machinery and Equipment Tax Section - Complete to apply for a number to remit tax on purchases of machinery and equipment.

-Are you registering to remit tax on purchases of machinery or recycling equipment to operate a manufacturing industry or plant? Yes No

-When will you begin making these purchases? _____

V. Signature: _____ Title: _____ Date: _____
 I certify that, to the best of my knowledge, this application is accurate and complete.

Mail to: N.C. Department of Revenue, P. O. Box 25000, Raleigh, NC 27640-0100

Once Registered....

- Department Issues Certificate of Registration - Account Identification Number
- Coupon Booklet/Blank Forms E-500, Sales and Use Tax Return Mailed
- Form E-505AC, Newly Registered Taxpayers Mailed

REGISTERED

Retail Sales of Retail Sales

■ Subject to the general State and local rates

■ Rates

- ❖ 4.75% State General Rate
- ❖ 2.00% - 75 Counties
- ❖ 2.25% - 25 Counties
- ❖ 0.50% - Durham, Mecklenburg, and Orange



Sales and Use Tax Rates Effective April 1, 2013

Listed below by county are the combined (4.75% State rate plus applicable local rates) sales and use tax rates in effect:

<u>County</u>	<u>Rate</u>	<u>County</u>	<u>Rate</u>	<u>County</u>	<u>Rate</u>
Alamance	6.75%	Franklin	6.75%	Pamlico	6.75%
Alexander	7%	Gaston	6.75%	Pasquotank	6.75%
Alleghany	6.75%	Gates	6.75%	Pender	6.75%
Anson	6.75%	Graham	6.75%	Perquimans	6.75%
Ashe	6.75%	Granville	6.75%	Person	6.75%
Avery	6.75%	Greene	7%	Pitt	7%
Beaufort	6.75%	Guilford	6.75%	Polk	6.75%
Bertie	6.75%	Halifax	7%	Randolph	7%
Bladen	6.75%	Harnett	6.75%	Richmond	6.75%
Brunswick	6.75%	Haywood	7%	Robeson	7%
Buncombe	7%	Henderson	6.75%	Rockingham	6.75%
Burke	6.75%	Hertford	7%	Rowan	7%
Cabarrus	7%	Hoke	6.75%	Rutherford	6.75%
Caldwell	6.75%	Hyde	6.75%	Sampson	7%
Camden	6.75%	Iredell	6.75%	Scotland	6.75%
Carteret	6.75%	Jackson	6.75%	Stanly	6.75%
Caswell	6.75%	Johnston	6.75%	Stokes	6.75%
Catawba	7%	Jones	6.75%	Surry	7%
Chatham	6.75%	Lee	7%	Swain	6.75%
Cherokee	6.75%	Lenoir	6.75%	Transylvania	6.75%
Chowan	6.75%	Lincoln	6.75%	Tyrrell	6.75%
Clay	6.75%	Macon	6.75%	Union	6.75%
Cleveland	6.75%	Madison	6.75%	Vance	6.75%
Columbus	6.75%	Martin	7%	Wake	6.75%
Craven	6.75%	McDowell	6.75%	Warren	6.75%
Cumberland	7%	Mecklenburg	7.25%*	Washington	6.75%
Currituck	6.75%	Mitchell	6.75%	Watauga	6.75%
Dare	6.75%	Montgomery	7%	Wayne	6.75%
Davidson	6.75%	Moore	6.75%	Wilkes	7%
Davie	6.75%	Nash	6.75%	Wilson	6.75%
Duplin	7%	New Hanover	7%	Yadkin	6.75%
Durham	7.5%*	Northampton	6.75%	Yancey	6.75%
Edgecombe	7%	Onslow	7%		
Forsyth	6.75%	Orange	7.5%*		

* Includes the 0.50% transit county sales and use tax.



Exemption Repealed – 1/1/2014

- Nutritional Supplements Sold by a Chiropractic Office to a Patient as a Part of a Patient's Plan of Treatment

- Examples May Include:
 - Vitamins
 - Minerals
 - Enzymes
 - Dietary supplements
 - Herbs
 - Homeopathic and naturopathic preparations
 - Glandular extracts



Other Taxable Retail Sales

■ Pillows



■ Back Supports



Exempt Sales – Prosthetic Devices

■ Prosthetic Devices for Human Use Worn on or in the Body and Meets Certain Conditions

- ❖ Defined in N.C. Gen. Stat. § 105-164.3(30b)

■ Examples:

- ❖ Ankle Braces
- ❖ Arch Supports
- ❖ Back Braces
- ❖ Braces
- ❖ Cervical Collars
- ❖ Tens Units -Worn





Sales and Use Tax TB 13, Page 1

SECTION 13 - PROSTHETIC DEVICES, MOBILITY ENHANCING EQUIPMENT, DURABLE MEDICAL EQUIPMENT, AND DURABLE MEDICAL SUPPLIES

13-1 PROSTHETIC DEVICES

A. Exemption and Definition

G.S. 105-164.13(12)a. exempts prosthetic devices from sales and use tax. Prosthetic devices are exempt regardless of whether they are sold on prescription. The term "prosthetic device" is defined in G.S. 105-164.3(30b) as a replacement, corrective, or supporting device worn on or in the body that meets one of the following conditions: 1) artificially replaces a missing portion of the body; 2) prevents or corrects a physical deformity or malfunction; 3) supports a weak or deformed portion of the body. The term includes repair and replacement parts for the device. The items in the following list (not all-inclusive) are exempt from tax as prosthetic devices:

1. abdominal belts (brace type);
2. abdominal binders and supports;
3. access ports;
4. acetabular cups (part of hip implant);
5. ankle braces;
6. anti-embolism stockings;
7. arch supports;
8. artificial eyes;
9. artificial heart valves;
10. artificial larynx;
11. artificial limbs;
12. atrial valves;
13. back braces;
14. bone cement and wax;
15. bone growth stimulators – external – not worn;
16. bone growth stimulators – implanted;
17. bone pins, plates, nails, screws;
18. braces;
19. breast implants;
20. breast prosthesis – external;
21. C.P.A.P. – worn;
22. casts and casting materials;
23. catheters – excluding suction catheters and similar catheters;
24. cervical collars;
25. cochlear implants;
26. collagen (not injectable collagen);
27. contact lenses;
28. corrective eyeglasses (nonprescription, such as reading glasses);
29. defibrillator and leads – implanted;
30. dialysis catheters – hemodialysis;
31. dialysis catheters – peritoneal;
32. drainage catheters;
33. drainage catheters – urinary;
34. drainage drains;
35. drainage shunts;
36. ear, nose, and throat implants;
37. eyeglasses (prescription);
38. false teeth;
39. feeding catheters;

Purchases for Resale

- Exempt From Sales and Use Tax at the Time of Purchase
- Provide Vendor with Form – E595E, Streamlined Sales and Use Tax Agreement Certificate of Exemption



Form E-595E, Page 1

E-595E
 Web-Fill
 12-09

Streamlined Sales and Use Tax Agreement Certificate of Exemption

This is a multi-state form. Not all states allow all exemptions listed on this form. Purchasers are responsible for knowing if they qualify to claim exemption from tax in the state that would otherwise be due tax on this sale. The seller may be required to provide this exemption certificate (or data elements required on the form) to a state that would otherwise be due tax on this sale.

The purchaser will be held liable for any tax and interest, and possibly civil and criminal penalties imposed by the member state, if the purchaser is not eligible to claim this exemption. A seller may not accept a certificate of exemption for an entity-based exemption on a sale made at a location operated by the seller within the designated state if the state does not allow such an entity-based exemption.

1 Check if you are attaching the Multistate Supplemental form.
 If not, enter the two-letter postal abbreviation for the state under whose laws you are claiming exemption.

2 Check if this certificate is for a single purchase and enter the related invoice/purchase order # _____.

3 Please print
 Name of purchaser _____

Business address _____ City _____ State _____ Zip code _____

Purchaser's tax ID number _____ State of issue _____ Country of issue _____

If no tax ID number, enter one of the following: FEIN _____ Driver's license number/State issued ID number _____ Foreign diplomat number _____

Name of seller from whom you are purchasing, leasing, or renting _____

Seller's address _____ City _____ State _____ Zip code _____

4 Type of business. Check the number that describes your business.

<input type="checkbox"/> 01 Accommodation and food services	<input type="checkbox"/> 11 Transportation and warehousing
<input type="checkbox"/> 02 Agricultural, forestry, fishing, and hunting	<input type="checkbox"/> 12 Utilities
<input type="checkbox"/> 03 Construction	<input type="checkbox"/> 13 Wholesale trade
<input type="checkbox"/> 04 Finance and insurance	<input type="checkbox"/> 14 Business services
<input type="checkbox"/> 05 Information, publishing, and communications	<input type="checkbox"/> 15 Professional services
<input type="checkbox"/> 06 Manufacturing	<input type="checkbox"/> 16 Education and health-care services
<input type="checkbox"/> 07 Mining	<input type="checkbox"/> 17 Nonprofit organization
<input type="checkbox"/> 08 Real estate	<input type="checkbox"/> 18 Government
<input type="checkbox"/> 09 Rental and leasing	<input type="checkbox"/> 19 Not a business
<input type="checkbox"/> 10 Retail trade	<input type="checkbox"/> 20 Other (explain) _____

5 Reason for exemption. Check the letter that identifies the reason for the exemption.

<input type="checkbox"/> A Federal government (department) _____	<input type="checkbox"/> H Agricultural production # _____
<input type="checkbox"/> B State _____ government (name) _____	<input type="checkbox"/> I Industrial production/manufacturing # _____
<input type="checkbox"/> C Tribal government (name) _____	<input type="checkbox"/> J Direct pay permit # _____
<input type="checkbox"/> D Foreign diplomat # _____	<input type="checkbox"/> K Direct mail # _____
<input type="checkbox"/> E _____	<input type="checkbox"/> L Other (explain) _____
<input type="checkbox"/> F _____	
<input type="checkbox"/> G Resale # _____	

6 Sign here. I declare that the information on this certificate is correct and complete to the best of my knowledge and belief.

Signature of authorized purchaser _____ Print name here _____ Title _____ Date _____

Form E-595E, Page 2

Page 2
 E-595E
 Web-Fill
 12-09

Streamlined Sales and Use Tax Agreement Certificate of Exemption: Multistate Supplemental

Name of purchaser

State	Reason for exemption	Identification number (if required)
AR*		
IA		
IN		
KS		
KY		
MI		
MN		
NC		
ND		
NE		
NJ		
NV		
OH		
RI		
OK		
SD		
TN*		
UT		
VT		
WV		
WY		

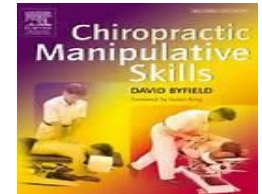
*SSUTA Direct Mail provision is not in effect for Arkansas and Tennessee.

Purchases Subject to Sales and Use Tax

■ Tangible Personal Property Purchased for Storage, Use, Consumption, or Distribution in NC

❖ Examples:

- Medical Supplies and Equipment
- Tables, Office Furniture
- Medical Items to Treat Patients (Not Statutorily Exempt)
- Computers
- Office Supplies (Appointment Reminder Cards)
- Magazines, Newspapers, Pamphlets
- Chiropractic Books



■ Certain Digital Property Transferred or Accessed Electronically

❖ Examples:

- Digital Songs
- Online Chiropractic Publications
- Online Newspapers



■ Taxable Services

❖ Examples:

- Laundry Services
- Telecommunications

E-500, Reverse

E-500
Reverse



	1. NC Gross Receipts <i>(Do not include tax collected)</i>		2. Sales for Resale <i>(Do not include on Line 3)</i>		3. Receipts Exempt From State Tax	
	Purchases for Use		Receipts		Rate	Tax
4. Gen. State Rate	<input type="text"/>	<input type="text"/>	+	<input type="text"/>	x 4.75%	= <input type="text"/>
5. 3% State Rate	<input type="text"/>	<input type="text"/>	+	<input type="text"/>	x 3%	= <input type="text"/>
6. Modular Homes 2.5% 10/1/13-12/31/13 4.75% Effective 1/1/14	<input type="text"/>	<input type="text"/>	+	<input type="text"/>	x ___%	= <input type="text"/>
7. Mfg. Homes 2% 10/1/13-12/31/13 4.75% Effective 1/1/14	<input type="text"/>	<input type="text"/>	+	<input type="text"/>	x ___%	= <input type="text"/>
8. 2% Food Rate	<input type="text"/>	<input type="text"/>	+	<input type="text"/>	x 2%	= <input type="text"/>
9. 2% County Rate <i>See Instructions</i>	<input type="text"/>	<input type="text"/>	+	<input type="text"/>	x 2%	= <input type="text"/>
10. 2.25% County Rate	<input type="text"/>	<input type="text"/>	+	<input type="text"/>	x 2.25%	= <input type="text"/>
11. 0.5% Transit County Rate	<input type="text"/>	<input type="text"/>	+	<input type="text"/>	x 0.5%	= <input type="text"/>
12. 0.25% Transit County Rate	<input type="text"/>	<input type="text"/>	+	<input type="text"/>	x 0.25%	= <input type="text"/>

STATE COUNTY

Form E-536, Schedule of County Sales and Use Taxes

E-536
 Web-Fill
 4-13

Schedule of County Sales and Use Taxes North Carolina Department of Revenue

Account ID <input type="text"/>	Period Ending (MM-DD-YY) <input type="text"/>	Legal Name <input type="text"/>
------------------------------------	--	------------------------------------

County and Code		County 2.00% Tax	County 2.25% Tax	Trans
Alamance	1	<input type="text" value="0.00"/>		
Alexander	2	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	
Alleghany	3	<input type="text" value="0.00"/>		
Anson	4	<input type="text" value="0.00"/>		
Ashe	5	<input type="text" value="0.00"/>		
Avery	6	<input type="text" value="0.00"/>		
Beaufort	7	<input type="text" value="0.00"/>		
Bertie	8	<input type="text" value="0.00"/>		
Bladen	9	<input type="text" value="0.00"/>		
Brunswick	10	<input type="text" value="0.00"/>		
Buncombe	11	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	
Burke	12	<input type="text" value="0.00"/>		
Cabarrus	13	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	
Caldwell	14	<input type="text" value="0.00"/>		
Camden	15	<input type="text" value="0.00"/>		
Carteret	16	<input type="text" value="0.00"/>		
Caswell	17	<input type="text" value="0.00"/>		
Catawba	18	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	
Chatham	19	<input type="text" value="0.00"/>		
Cherokee	20	<input type="text" value="0.00"/>		
Chowan	21	<input type="text" value="0.00"/>		
Clay	22	<input type="text" value="0.00"/>		
Cleveland	23	<input type="text" value="0.00"/>		
Columbus	24	<input type="text" value="0.00"/>		
Craven	25	<input type="text" value="0.00"/>		
Cumberland	26	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	
Currituck	27	<input type="text" value="0.00"/>		
Dare	28	<input type="text" value="0.00"/>		
Davidson	29	<input type="text" value="0.00"/>		
Davie	30	<input type="text" value="0.00"/>		

File and Pay Sales and Use Tax

- E-500 Sales and Use Tax Return (Paper Form)
- E-500 Sales and Use E-File
- Sales and Use Electronic Data Interchange (EDI)
- Electronic Funds Transfer (EFT)
- E-Business Center

<http://www.dornc.com/electronic/business/index.html>

Responsible Person Assessments

- President, Treasurer or CFO of a Corporation
- Manager of a LLC or Partnership
- Others Noted in N.C. Gen. § 105-242.2
- Principal Amount of Business Entity Transferred
- Transferrable Taxes:
 - ❖ Sales and Use Taxes Collected
 - ❖ Sales and Use Taxes Due
 - ❖ Income Withholding
 - ❖ Other Taxes Noted in G.S. § 105-242.2



Questions

Private Letter Ruling Policy

Eric.wayne@dornc.com

PO Box 871
Raleigh, NC 27603

