

Hilco Industrial, LLC
North Carolina Sales Tax Rules Summary

Locations: (Davidson County)

- 505 County Line Rd., Thomasville, NC 27360
- 405 E. Main Street, Thomasville, NC 27360

Tax Rate: 6.75%

Sales are subject to North Carolina Sales Tax, unless otherwise listed as exempt.

The following are taxable transactions:

PURCHASES BY MANUFACTURERS, PROCESSORS, ASSEMBLERS OR REFINERS:

Purchases of tangible personal property by a manufacturer for use in its business are subject to the sales or use tax. A manufacturer who owes use tax must report and pay the tax in accordance with the filing requirements for a wholesale merchant. ([Sec. 17:07D.0104, N.C. Adm. Code](#))

The following types of purchases are exempt:

RESALE:

Purchases that are made for the purpose of resale, i.e., wholesale purchases, are exempt from the sales and use tax because they are not considered retail sales. ([Sec. 105-164.3\(34\), G.S.](#))

In order to make a tax-free purchase, the buyer must provide the seller with a certificate of exemption or with other written evidence that he is registered with the Department of Revenue or in a taxing jurisdiction outside the state and that the property is being purchased for resale. ([Sec. 105-164.28, G.S.](#) ; [Sec. 17:07B.0106, N.C. Adm. Code](#)) A purchaser who does not resell an item purchased under a certificate of exemption is liable for any tax subsequently determined to be due on the sale. ([Sec. 105-164.28, G.S.](#))

Forms may be accessed through the following links:

Streamlined Sales and Use Tax Agreement Certificate of Exemption, Form E-595E –

http://www.dorn.com/downloads/fillin/E595E_webfill.pdf

The Uniform Sales and Use Tax Exemption Certificate — Multijurisdiction <http://www.mtc.gov/Resources.aspx?id=1594>

SALE OF MOTOR VEHICLES:

The retail sale of motor vehicles is exempt from sales and use tax, but is subject to the highway use tax. The definition of "motor vehicle" includes pickup trucks and campers. ([Sec. 17:07B.4614, N.C. Adm. Code](#)) The highway use tax must be paid to the Commissioner of Motor Vehicles by the dealer, the purchaser, or other applicant for a certificate of title at the time of making application.

EXPORT FOR EXCLUSIVE USE IN A FOREIGN COUNTRY:

Tangible personal property purchased solely for the purpose of export to a foreign country for exclusive use or consumption in that or some other foreign country, either in the direct performance or rendition of professional or commercial services, or in the direct conduct or operation of a trade or business, all of which purposes are actually consummated, or purchased by the government of a foreign country for export which purpose is actually consummated. "Export" shall include the acts of possessing and marshalling such property, by either the seller or the purchaser, for transportation to a foreign country, but shall not include devoting such property to any other use in North Carolina or the United States. "Foreign country" shall not include any territory or possession of the United States. (§ 105-164.13.(33))

In order to qualify for this exemption, an affidavit of export indicating compliance with the terms and conditions of this exemption, as prescribed by the Secretary of Revenue, must be submitted by the purchaser to the seller, and retained by the seller to evidence qualification for the exemption.

DIRECT PAY PERMITS:

Businesses such as manufacturers that purchase tangible personal property that could be either subject to tax or exempt from tax are eligible for a direct pay permit. Multistate taxpayers that use the same type property in various locations inside and outside the State are also eligible. A copy of a numbered direct pay permit issued by the NC Department of Revenue should be provided to the vendor. Once received, a vendor is relieved of the liability from collecting and remitting sales or use tax on its sales of tangible personal property to the purchaser. The permit holder is liable for accruing and remitting the applicable use tax directly to the Department. A registry of direct pay permit holders is available on the Department's website.

<https://eservices.dor.nc.gov/salesdatabase/>