



# E-595A

## Application for Direct Pay Permit, Sales and Use Taxes for Tangible Personal Property, Digital Property, and Services

Office Use

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1. Federal Employer ID No.: \_\_\_\_\_

*(If request is for more than one account ID with the same FEIN, attach a sheet and list the account IDs, trade names, and business locations in N.C.)*

2. N.C. Sales and Use Tax Account ID: \_\_\_\_\_

3. Legal Business Name: \_\_\_\_\_

4. Trade Name (DBA Name): \_\_\_\_\_

5. Business Location in N.C.: Street \_\_\_\_\_  
(Not P.O. Box Number)

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_ County \_\_\_\_\_

6. Mailing Address: Street or P.O. Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

7. Number of locations in N.C.: \_\_\_\_\_

8. Number of locations outside N.C.: \_\_\_\_\_

9. Type of Business: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

10. Dollar amount of annual purchases: \_\_\_\_\_

11. Principal reason for requesting a direct pay permit:

- The place of business where the item will be stored, used, or consumed in the State is not known at the time of the purchase and a different tax consequence applies depending on where the item is used in the State.

Provide one example: \_\_\_\_\_

- The manner in which the item will be stored, used, or consumed in the State is not known at the time of the purchase and one or more of the potential uses is taxable but others are not taxable in the State.

Provide one example: \_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I certify that, to the best of my knowledge, this application is accurate and complete.

Name (Print): \_\_\_\_\_ Title: \_\_\_\_\_

E-mail: \_\_\_\_\_ Phone: \_\_\_\_\_

## General Information

- Pursuant to G.S. 105-164.27A, a direct pay permit can be issued to a taxpayer that purchases tangible personal property, digital property, and services whose tax status cannot be determined at the time of purchase for one of the following reasons:
  - (1) The place of business where the item will be stored, used, or consumed in the State is not known at the time of the purchase and a different tax consequence applies depending on where the item is used in the State.
  - (2) The manner in which the item will be stored, used, or consumed in the State is not known at the time of the purchase and one or more of the potential uses is taxable but others are not taxable in the State.
- A taxpayer's annual purchases of tangible personal property, digital property, and services must be at least \$5 million to qualify for a direct pay permit.
- Upon approval, the Department will issue a numbered direct pay permit. The permit holder should issue a copy of the permit to a retailer or wholesale merchant of tangible personal property, digital property, and services. Once received, a retailer or wholesale merchant is relieved of the liability from collecting and remitting sales or use tax on its sales of tangible personal property, digital property, and services to the permit holder. The permit holder is liable for accruing and remitting the applicable use tax directly to the Department.
- A permit holder is required to issue its permit to retailers or wholesale merchants for all purchases except those purchases subject to the taxes listed below. The permit holder must pay the taxes listed below directly to retailers.
  - (1) State and local sales taxes levied on sales of prepared meals and beverages.
  - (2) State and local sales taxes levied on gross receipts derived from the rental of an accommodation.
  - (3) Sales taxes levied on electricity, piped natural gas, video programming, spirituous liquor, qualified jet engine, telecommunications services or ancillary services and direct mail.
  - (4) Highway use taxes or alternate highway use taxes paid on the purchase, lease, or rental of motor vehicles.
  - (5) Scrap tire disposal tax levied on new tires.
  - (6) Occupancy taxes levied and administered by local governments in the State.
  - (7) Prepared food and beverage taxes levied by local governments in the State.
  - (8) White goods disposal tax levied on new white goods.
  - (9) Dry-cleaning solvent tax levied on dry-cleaning solvent purchased by a dry-cleaning facility.
  - (10) 911 service charge for prepaid wireless telecommunications service.
- The Department may revoke a direct pay permit if the holder of the permit does not file a sales and use tax return timely, does not pay sales or use tax on time, or otherwise fails to comply with the sales and use tax laws.
- If you have questions, you may contact the Sales and Use Tax Division, NC Department of Revenue, P.O. Box 871, Raleigh, North Carolina 27602-0871. You may also telephone the Division at (919) 814-1082.

## Line by Line Instructions

- Line 1 - Enter your firm's Federal Employer Identification Number (FEIN). Direct Pay Permits are issued by FEIN. A separate application must be completed for each FEIN.
- Line 2 - Enter your firm's North Carolina Sales and Use Tax Account ID Number. If you are requesting a Direct Pay Permit for more than one account ID with the same FEIN, attach a sheet and list the account IDs, trade names, and business locations in North Carolina.
- Line 3 - Enter the Legal Business Name for which a Direct Pay Permit is requested.
- Line 4 - Enter the Trade Name for which a Direct Pay Permit is requested.
- Line 5 - Enter the business address of your firm in North Carolina. For multiple locations see the instruction for Line 2.
- Line 6 - Enter the mailing address to which all correspondence concerning the Direct Pay Permit should be mailed.
- Line 7 - Enter the number of locations in North Carolina.
- Line 8 - Enter the number of locations outside of North Carolina.
- Line 9 - Describe the type of business your firm operates.
- Line 10 - Enter an estimate of all annual purchases of tangible personal property, digital property, and services made by your firm.
- Line 11 - Select the principal reason for requesting a Direct Pay Permit and give a specific example that supports your reason.

Sign and date the application. Print your name along with your title, phone number, and email address where you can be reached if we have questions about your application. **Mail your application to NC Department of Revenue, Sales and Use Tax Division, P.O. Box 871, Raleigh, NC 27602-0871.**