



**Sales and Use Tax Division
North Carolina Department of Revenue
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Raleigh, North Carolina 27640-0001
www.ncdor.gov**

**IMPORTANT NOTICE:
ADDITIONAL 0.25% LOCAL SALES AND USE TAX**

Effective April 1, 2019, the following counties adopted resolutions to levy an additional 0.25% local sales and use tax:

**Graham County
Moore County**

**Stanly County
Swain County**

Effective April 1, 2019, the local rate of sales and use tax in Graham, Moore, Stanly, and Swain Counties is 2.25%. Per N.C. Gen. Stat. § 105-164.4(a), the general 4.75% State and 2.25% local rates of sales and use tax (total rate of 7.00%) apply to taxable sales, purchases, and the gross receipts derived from the following when sold at retail and sourced to one of the above counties:

- Tangible personal property not specifically subject to another rate of sales tax;
- Sales and leases of certain digital property including: an audio work, an audiovisual work, a book, a magazine, a newspaper, a newsletter, a report, or another publication, a photograph, and a greeting card;
- Lease or rental of tangible personal property that is not specifically subject to another rate of sales tax;
- Service contract or renewal of a service contract;
- Prepaid meal plan;
- Admission charges to an entertainment activity;
- Rental of accommodations;
- Receipts from the sale or recharge of prepaid telephone calling service, including prepaid wireless calling service;
- Satellite digital audio radio service;
- Repair, maintenance, and installation services;
- Receipts from laundries, dry cleaning, linen rental or similar businesses but does not include receipts derived from coin, token, or card-operated washing machines, extractors and dryers; and
- Alcoholic beverages, tobacco products, prepared food, candy, dietary supplements, soft drinks, and food sold through a vending machine.

Retailers and facilitators should collect and are liable for the additional 0.25% local sales and use tax on the sales price of or the gross receipts derived from retail sales, leases, and other transactions sourced to Graham, Moore, Stanly, and Swain Counties, including items sold by a retailer to a customer in another county where the retailer delivers the product to the customer in Graham, Moore, Stanly, or Swain Counties. The provisions of the Local Government Sales and Use Tax Law, with respect to a retailer or facilitator required to collect sales and use tax in a taxing county, and the liability for local sales and use tax, are applicable to the new levy.

Per N.C. Gen. Stat. § 105-164.4(a), the 0.25% local rate of sales and use tax **does not apply** to the sales price or purchase price of, or the gross receipts derived from the following:

- Boats including accessories attached to the boat at the time of delivery to the purchaser (Subject to the 3% State rate with a maximum tax of \$1,500 per article)
- Aircraft (Subject only to the general 4.75% State rate with a maximum tax of \$2,500 per article)
- Qualified jet engines (Subject only to the general 4.75% State rate)
- Manufactured homes (Subject only to the general 4.75% State rate)
- Modular homes (Subject only to the general 4.75% State rate)
- Video programming (Subject to the 7% Combined General Rate)
- Antique spirituous liquor and spirituous liquor other than mixed beverages (Subject to the 7% Combined General Rate)
- Electricity (Subject to the 7% Combined General Rate)
- Piped natural gas (Subject to the 7% Combined General Rate)
- Aviation gasoline and jet fuel (Subject to the 7% Combined General Rate)
- Telecommunications service and ancillary service (Subject to the 7% Combined General Rate)
- Qualifying food items subject to the 2.00% rate of tax

General State, Applicable Local, and Applicable Transit Rates as of April 1, 2019

Effective April 1, 2019, the total general State, applicable local, and applicable transit rates of sales and use tax is 6.75% in fifty-six counties, 7.00% in Alexander, Anson, Ashe, Buncombe, Cabarrus, Catawba, Cherokee, Clay, Cumberland, Davidson, Duplin, Edgecombe, Gaston, Graham, Greene, Halifax, Harnett, Haywood, Hertford, Jackson, Jones, Lee, Lincoln, Martin, Montgomery, Moore, New Hanover, Onslow, Pasquotank, Pitt, Randolph, Robeson, Rockingham, Rowan, Rutherford, Sampson, Stanly, Surry, Swain, and Wilkes Counties, 7.25% in Mecklenburg and Wake Counties, and 7.50% in Durham and Orange Counties.

County Tax Reporting Requirements

A retailer or facilitator required to collect local and transit sales and use tax in more than one county must complete [Form E-536, Schedule of County Sales and Use Taxes](#), and submit it along with [Form E-500, Sales and Use Tax Return](#) or enter the applicable local and applicable transit tax information for each county at the time of filing an electronic return through the Department's [Online Filing and Payments service](#). Form E-536 or the electronic information should reflect the amount of local and transit tax collected for each county by a retailer or facilitator. Form E-536 and the Department's electronic services will be revised to accommodate the applicable 2.25% local tax rates for Graham, Moore, Stanly, and Swain Counties for returns due to be filed for periods beginning April 1, 2019. Purchases of taxable products by a person for storage, use, consumption, or distribution in Graham, Moore, Stanly, and Swain Counties on or after April 1, 2019 are subject to the 2.25% local rate of sales and use tax.

Additional Information

For general guidance on the administration and application of the sales and use tax rate increase for Graham, Moore, Stanly, and Swain Counties relating to leases or rentals, real property contracts (lump-sum and unit-price) including change orders, layaway sales, gross receipts derived from the rental of accommodations, taxable service contracts, taxable gross receipts derived from admission charges to an entertainment activity and reporting of tax on the cash basis of accounting for sales and use tax purposes, please review the following publication on the Department's website: <https://www.ncdor.gov/documents/general-guidance-local-sales-and-use-tax-rate-increase>.

Assistance

The revised Form E-536, Schedule of County Sales and Use Taxes, will be available after May 1, 2019, and can be obtained on the Department's website or by calling the Department's Forms Line at 1-877-252-3052 (toll-free) after May 1, 2019.