



## **Sales and Use Tax Division North Carolina Department of Revenue**

Pat McCrory  
Governor

Lyons Gray  
Secretary

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### **MEMORANDUM**

Date: May 1, 2013

To: Certified Service Providers (CSPs)

From: Eric K. Wayne, Director

Subject: Liability Relief – 0.50% Durham and Orange Counties Transit Sales and Use Taxes

Effective April 1, 2013, Durham and Orange Counties began levying an additional 0.50% local sales and use tax for the benefit and purpose of the Research Triangle Regional Transportation Authority.

The Department determined on April 22, 2013, that the new special tax codes of 99063 (Durham County Transit) and 99135 (Orange County Transit) were not included in the boundary database (NCB2013Q2Mar8) placed on the FTP site on March 8, 2013. The corrected boundary database (NCB2013Q2April 22) which includes the new codes was added to the SST website on April 22, 2013.

The Department received notification on April 23, 2013 advising the rate table (NCR2013Q2Jan30) which included the new levies was not available on the SST website, as previously advised on February 28, 2013 by Testing Central. The rate table was added to the SST website on April 23, 2013 by Testing Central and all CSPs were notified by email sent by David Thompson with Testing Central.

N.C. Gen. Stat. § 105-164.42L states, “[t]he Secretary may develop databases that provide information on the boundaries of taxing jurisdictions and the tax rates applicable to those taxing jurisdictions. A person who relies on the information provided in these databases is not liable for underpayments of tax attributable to erroneous information provided by the Secretary in those databases.”

Section E.3 of the “Contract Between The North Carolina Secretary of Revenue and [CSP Contractor]” effective August 1, 2012, provides, in part, “[t]he Contractor shall have ten (10) business days from the date of notification by the Secretary to revise the Automated System to conform with changes to: the tax rates, boundaries, or taxing jurisdiction assignments which have been listed in the state’s rates and boundary databases. . . .”

A CSP is not liable for failure to collect the 0.50% Durham and Orange Counties Transit Sales and Use Taxes from April 1, 2013 through May 7, 2013, pursuant to its executed contract with the Secretary provided a CSP relied on the incorrect boundary and tax rates tables on the SST website prior to April 23, 2013.