E-588 Instructions
Business Claim for Refund
State, County and Transit Sales and Use Taxes

General Instructions

- Complete this Web-Fill form in its entirety on your computer, print the completed form.
- This form is for use by taxpayers who have overpaid tax on retail sales or overaccrued use tax on purchases.
- Indicate the basis for the refund request and attach documentation to support the request.

In general, the statute of limitations for obtaining a refund of an overpayment is the later of three years after the due date of the return or two years after payment of the tax. For a claim for refund filed within the statute of limitations, the Department must take one of the following actions within six months after the date the claim for refund is filed:
(1) send the taxpayer a refund of the amount shown due on the claim for refund; (2) adjust the amount of the refund shown due and send the taxpayer a refund of the adjusted amount; (3) deny the refund and send the taxpayer a notice of proposed denial; or (4) request additional information from the taxpayer. If the Department does not take one of the actions within six months, the inaction is considered a proposed denial of the requested refund. A taxpayer who objects to a proposed denial of a refund may request a Departmental review of the proposed action by filing a Form NC-242, Objection and Request for Departmental Review within the time provided in N.C. Gen. Stat. § 105-241.11. If the Department selects a claim for refund for examination, the taxpayer has the same rights that the taxpayer would have during an examination of a return by the Department. If the Department determines that a claim for refund was not filed within the statute of limitations, the refund request will be denied and the Department will issue a notice of proposed denial of refund.

For a full explanation of the Departmental review process, refer to the North Carolina Taxpayers’ Bill of Rights found at www.ncdor.gov or the provisions of N.C. Gen. Stat. § 105-241.11.

If you have questions about how to complete this form, call the Department toll free at 1-877-252-3052.

Line by Line Instructions

Line 1 - If county and transit taxes included on this form were paid in only one county, enter the name of that county. If county and transit taxes were paid for more than one county, do not enter a county name on Line 1.

Line 2 - Enter in the State Tax column the total State sales or use taxes paid to the Department on the sales and use tax returns for the period included on this form. Enter in the Food, County & Transit Tax column the total food, county and transit sales or use taxes paid to the Department on the sales and use tax returns for the period included on this form.

Line 3 - Enter in the State Tax Column the total amount of State sales or use taxes that should have been paid to the Department on the sales and use tax returns for the period included on this form. Enter in the Food, County & Transit Tax column the total food, county and transit sales or use taxes that should have been paid to the Department on the sales and use tax returns for the period included on this form.

Line 4 - Subtract the State tax on Line 3 from Line 2 and enter the difference in the State Tax Column. Subtract the food, county and transit taxes on Line 3 from Line 2 and enter the difference in the Food, County & Transit Tax column. Food, County & Transit tax must be identified by rate on Line 6.

Line 5 - Add the State and Food, County & Transit taxes on Line 4 and enter the sum. This is the total amount of the refund requested for the period.

Line 6 - Allocate the amount of food, county and transit taxes included on Line 4 in the Food, County & Transit Tax column to the applicable rate. If county or transit tax was paid for more than one county, complete Form E536R, Schedule of County Sales and Use Taxes for Claims for Refund, to identify the applicable rates and individual counties to which tax was paid for the period. The total of all entries on Form E-536R should equal the food, county and transit tax shown on Line 6.