



**Sales and Use Tax Division
North Carolina Department of Revenue
Post Office Box 25000
Raleigh, North Carolina 27640-0001
www.ncdor.gov**

**IMPORTANT NOTICE: Form E-581 Updated – Interstate Carrier Claim for Refund
State, County, and Transit Sales and Use Taxes**

[Form E-581, Interstate Carrier Claim for Refund State, County, and Transit Sales and Use Taxes](#), is updated to reflect changes made pursuant to the enactment of Session Law 2017-204. Effective retroactively to March 1, 2016, N.C. Gen. Stat. § 105-164.14(a), as amended, provides that “[a]n interstate carrier is allowed a refund . . . of part of the sales and use taxes paid by it on the purchase in this State of railway cars and locomotives, and fuel, lubricants, repair parts, accessories, **service contracts, and repair, maintenance, and installation services** for a motor vehicle, railroad car, locomotive, or airplane the carrier operates.” An “interstate carrier” is a person who is engaged in transporting persons or property in interstate commerce for compensation.

Prior to enactment of the amended language, an interstate carrier was not allowed a refund of part of the sales and use taxes paid on purchases of service contracts, and repair, maintenance, and installation services. Therefore, the interstate carrier was not required to include the purchase price of service contracts and such services in the numerator or denominator on Form E-581 to calculate the “purchases per mileage ratio” used to determine the amount of sales and use tax refund for a calendar quarter.

An applicant who paid the general 4.75% State, applicable local, and applicable transit sales and use taxes and who purchased service contracts and repair, maintenance, and installation services inside and outside the State, prior to August 11, 2017, should file an amended Form E-581 claim for refund for each applicable calendar quarter. It will depend on the purchase mileage ratio as to whether an additional refund may be obtained from the Department. If the amount of refund calculated due and reflected on an amended refund claim form is less than the refund amount originally requested from and issued by the Department for a prior calendar quarter, the interstate carrier should file the amended return, but the interstate carrier will not be liable for payment of the difference due to the North Carolina Constitution. If the calculated amount of refund due per the amended claim form is higher than the refund amount originally requested from and issued by the Department for a prior calendar quarter, the interstate carrier may be issued a refund for the additional amount.

An amended Form E-581 filed with the Department should be clearly marked "AMENDED" at the top, left hand corner of the form. Refund claims filed more than three years after the due date cannot be allowed and issued. Records, upon which the claim for refund is based, must be maintained by the applicant in such manner as to enable a representative of the Department of Revenue to accurately and conveniently verify the correctness of a claim.

If you have questions about how to complete an amended Form E-581 claim for refund, contact the Sales and Use Tax Unit in the Central Examination Division via email at: CESalesanduse@ncdor.gov.