



**Sales and Use Tax Division
North Carolina Department of Revenue
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UPDATED IMPORTANT NOTICE: SALES AND USE TAX REFUND FOR TRANSFORMATIVE PROJECTS

This notice is updated to add procedures on how to file a sales and use tax refund for a transformative project.

Effective July 1, 2017 and for purchases made on or after that date, N.C. Gen. Stat. § 105-164.14A(a) is amended by adding a new subdivision (8), which reads as follows:

Transformative projects. – An owner or lessee of a business that is the recipient of a grant under the Job Development Investment Grant Program on or before June 30, 2019, for a transformative project as defined in G.S. 143B-437.51(9a) is allowed a refund of the sales and use tax paid by it on building materials, building supplies, fixtures, and equipment that become a part of the real property of the facility. Liability incurred indirectly by the owner for sales and use taxes on these items is considered tax paid by the owner.

N.C. Gen. Stat. § 143B-437.51(9a) currently defines a “transformative project” as “[a] project for which the agreement requires that a business invest at least four billion dollars (\$4,000,000,000) in private funds and create at least 5,000 eligible positions.”

The first annual claim for refund for sales and use taxes for a transformative project could potentially be filed July 1, 2018 for the period July 1, 2017 through June 30, 2018 by the owner or lessee of a business who is the recipient of a grant under the Job Development Investment Grant Program. A request for a refund is due within six months after the end of the State’s fiscal year. The State’s fiscal yearend is June 30th. Refunds applied for after the due date are barred.

The request for refund for a transformative project, as described above, should be timely filed on [Form NC-19, Claim for Refund of Taxes](#). In the “Basis of Claim” section of Form NC-19, the claimant should indicate “Transformative Project Refund” and provide a breakdown of the total amounts for each of the general State (4.75%), applicable local (2.00% and/or 2.25%), and applicable transit (0.50%) rates of sales and use tax. If all local and transit taxes were paid for only one county, enter the name of the county in the “Basis of Claim” section. If county or transit tax was paid for more than one county, complete and attach [Form E-536R, 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 that is entered and corresponds with the period noted on Form NC-19.

A claim for refund of sales and use taxes for a transformative project is not an overpayment of sales and use taxes and any approved refund does not accrue interest as provided in N.C. Gen. Stat. § 105-241.21.

To the extent there is any change in the rate or amount of tax, change to a statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance issued prior to the date of this notice conflicts with this important notice, the provisions contained in this important notice supersede.