

WHITE GOODS DISPOSAL TAX BULLETIN

Reflecting Changes Made in the 2025 Regular Session of the North Carolina General Assembly

Issued by:

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Tax Administration
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PREFACE

The White Goods Disposal Tax Bulletin presents the Secretary of Revenue's interpretation of the North Carolina white goods disposal tax laws. This bulletin does not cover all interpretations and applications of the white goods disposal tax laws.

The White Goods Disposal Tax Bulletin is based on the laws in effect as of January 1, 2026 and supersedes any White Goods Disposal Tax Bulletins published prior to January 1, 2026.

You must consider all facts and circumstances when applying the information contained in these bulletins to particular transactions or situations. Additional changes may result from legislative action, court decisions, and rules amended or adopted under Chapter 150B of the North Carolina General Statutes after these bulletins are published. To the extent there is any change to a statute, administrative rule, or new case law subsequent to the date of this publication, the provisions in these bulletins may be superseded or voided.

To obtain specific binding tax advice refer to the Department's Written Determination Policy.

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WGDTB 1 WHITE GOODS DISPOSAL TAX

1-1 GENERAL PROVISIONS

The white goods disposal tax is imposed pursuant to Article 5C of Chapter 105 of the North Carolina General Statutes. The definitions contained in G.S. § 105-164.3 are applicable to Article 5C except that the term "sale" does not include the term "lease or rental." "White goods" is defined in G.S. § 130A-290(a).

1-2 IMPOSITION AND LIABILITY FOR COLLECTING AND REMITTING TAX

A. Tax Imposed

A privilege tax is imposed on a white goods retailer at a flat rate for each new white good sold by the retailer. An excise tax is imposed on a new white good purchased for storage, use, or consumption in this State.

The rate of the privilege tax and the excise tax is three dollars ($3.00) on each new white good. These taxes are in addition to all other taxes.

B. Liability for Collecting and Remitting the Tax

The privilege tax imposed on a white goods retailer is an additional State sales tax and the excise tax imposed on the storage, use, or consumption of a new white good in this State is an additional use tax. Except as provided in Article 5C of Chapter 105 of the North Carolina General Statutes, these taxes shall be collected and administered in the same manner as the State sales and use tax imposed by Article 5 of Chapter 105 of the North Carolina General Statutes. The additional State sales tax paid when a new white good is sold at retail is a credit against the additional State use tax imposed on the storage, use, or consumption of the same white good. The white goods disposal tax is to be shown separately on the invoice or similar billing document given to the purchaser at the time of purchase. A retailer must keep records that establish its white goods disposal tax liability. The white goods disposal tax is not a part of the sales price on which the sales tax is computed nor should the white goods disposal tax be computed on any sales or use tax due.

A retailer-contractor is liable for the white goods disposal tax for any white good withdrawn from inventory to fulfill a real property contract in the State.

A person that is not registered with the Department that is required to collect and/or remit the white goods disposal tax must register with the Department using Form NC-BR, Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Other Taxes and Service Charge, or register electronically using the online business registration portal. The white goods disposal tax is to be paid and reported separately to the Department on Form E-500H, White Goods Disposal Tax Return.

Note: For detailed information on real property contracts with respect to a capital improvement and retailer-contractors, refer to the Sales and Use Tax Bulletins.

1-3 EXAMPLES RELATED TO WHITE GOODS

A. The following items are representative examples of appliances which are classified as white goods:

1. Built-in ovens.
2. Built-in stove surface units.
3. Commercial fry cookers.
4. Commercial refrigeration equipment manufactured and sold as a self-contained unit.

5. Dish sanitizers.
6. Drinking water coolers.
7. Floor-model popcorn machines.
8. Freestanding ice makers.
9. Hot food bar used to keep food hot.
10. Large floor-model humidifiers and dehumidifiers (not small plastic vaporizers).
11. Large floor-model oil, gas, electric, and wood-fired heaters and fireplace inserts (not small portable space heaters). Heaters and fireplace inserts include these items when incorporated into furniture and consoles.
12. Refrigerated soft ice cream dispensers.
13. Steam tables used to keep food hot.
14. Trash compactors.
15. Vending machines (refrigerated, heated, non-refrigerated and non-heated types - does not include gumball and similar small dispensers).
16. Water treatment equipment (not small faucet-mounted or under-sink filtering devices).
17. Window air conditioning units.
18. Refrigerators.
19. Ranges.
20. Water heaters (tank and tank-less).
21. Dishwashers.
22. Clothes dryers.

B. The following items are representative examples of items which are not classified as white goods:

1. Bread baking machines.
2. Central air conditioners.
3. Central heating systems.
4. Charcoal grills.
5. Chillers.
6. Commercial refrigeration component systems.
7. Computer terminals.
8. Electric fans.
9. Food blenders.
10. Food mixers.
11. Food processors.
12. Garbage disposals.
13. Gas grills.
14. Microwave ovens.
15. Office equipment, i.e., copiers, telefax machines, etc.
16. Propane gas tanks.
17. Radios.
18. Range hoods.
19. Record players.
20. Small portable electric, oil, and gas space heaters.
21. Small portable tabletop appliances.
22. Televisions.
23. Toaster ovens.
24. Vacuum cleaners.
25. Video cassette recorders.
26. Water pumps and tanks.

1-4 EXEMPTIONS RELATED TO WHITE GOODS

Sales a state cannot constitutionally tax, such as sales to the U.S. Government, are exempt from the white goods disposal tax.

No other exemptions apply to the white goods disposal tax.

1-5 LEASE OR RENTAL OF WHITE GOODS

Persons engaged in the business of leasing or renting white goods to users or consumers are liable for paying the white goods disposal tax on the items at the time the white goods are purchased. The white goods disposal tax is not to be collected from a lessee or renter of the white goods.

1-6 REFUNDS OF WHITE GOODS DISPOSAL TAX

A person who purchases at least 50 new white goods of any kind in one purchase may obtain a refund of 60% of the amount of the white goods disposal tax paid thereon when all of the white goods are to be placed in new or remodeled dwelling units that are located in this State and do not contain the kind of white goods purchased. The term "one purchase" as used herein refers to cases where a purchase order is issued by the purchaser to the retailer, or a written agreement is made between the purchaser and the retailer, providing for the purchase of 50 or more white goods which, according to the terms and conditions set out in the purchase order or agreement, are to be delivered to the purchaser within a definite specified time. For purposes of the refund, delivery of the white goods within the time specified will constitute one purchase notwithstanding that multiple deliveries may be necessary to consummate delivery of all of the white goods to the purchaser. In the absence of a written purchase order or written agreement reflecting the foregoing terms and conditions, each individual delivery of white goods constitutes one purchase. Each individual delivery of white goods on purchase orders for indefinite quantities or open-end purchase orders is considered to be one purchase. A change in the original purchase order or agreement for additional white goods will constitute a separate transaction for the purposes described herein.

A refund for White Goods Disposal Tax should be submitted to the Department on Form E-585H, Claim for Refund of White Goods Disposal Tax.

Refunds authorized in G.S. § 105-164.14 do not apply to the white goods disposal tax.

1-7 WHITE GOODS INSTALLED IN MANUFACTURED HOMES, RECREATIONAL VEHICLES, BOATS, AIRCRAFT, AND RAILWAY CARS

The white goods disposal tax does not apply to white goods which are installed in and are a part of the sale of new manufactured homes, recreational vehicles, boats, aircraft, and railway cars. Separate retail sales of new white goods which are not included in and do not constitute a part of the sale of manufactured homes, recreational vehicles, boats, aircraft, or railway cars are subject to the white goods disposal tax.

Persons who have paid white goods tax on appliances which were installed in new manufactured homes, recreational vehicles, boats, aircraft, and railway cars at the time such items were sold at retail may receive a refund of the tax. Such persons should request a refund from the retailer to whom the tax was paid. The retailer, after refunding its customer, can request a refund from the Department using Form E-585H, Claim for Refund of White Goods Disposal Tax.

1-8 DIRECT PAY PERMITS DO NOT APPLY TO PURCHASES OF WHITE GOODS

A direct pay permit does not apply to the white goods disposal tax and does not constitute authority to exempt a transaction from the white goods disposal tax.

1-9 REPAIR PARTS AND COMPONENTS OF WHITE GOODS

Separate retail sales of repair parts or components for white goods are not subject to the white goods disposal tax. Refer to the Sales and Use Tax Bulletins for additional information.