

Form E-500E Combined General Rate Sales and Use Tax Return (Utility, Liquor, Gas, and Other)

General Instructions

1. Use Form E-500E to file and report the 7% combined general rate sales and use taxes due on the gross receipts derived from or the retail sales of piped natural gas, electricity, telecommunications and ancillary service, direct-to-home satellite service, video programming, antique spirituous liquor and spirituous liquor, and effective January 1, 2016, aviation gasoline and jet fuel.
2. A return must be filed for each filing period by the due date indicated or a delinquent notice for failure to file is mailed by the Department. The tax due must be paid with the return or penalty and interest is assessed by the Department. If you do not owe any tax for a filing period, you must file a return showing zero (0.00) on Line 18. Please do not write "No Tax Due" or any similar text on the return.
3. Complete the Combined General Rate Sales and Use Tax Return (Utility, Liquor, Gas, and Other) in its entirety on your computer and print the return.
4. A retailer who sells piped natural gas, electricity or telecommunications and ancillary service is required to report sales on the accrual basis. The service is considered to accrue when the provider bills its customer for the sale.
5. Payment must be made in U.S. dollars by check or money order drawn on a U.S. (domestic) bank payable to the North Carolina Department of Revenue unless you have been previously instructed by the Department to make payments electronically. Do not mail cash, stamps, or post dated checks with your return.
6. Each return must be completed in full.
7. Sign each return and payment and mail to North Carolina Department of Revenue P.O. Box 25000, Raleigh, NC 27640-0700.

How to Prepare Return: Specific Line Instructions

Piped natural gas retailers - Complete Lines 1, 2, 3, 4, and 11 through 18.

Electricity providers - Complete Lines 1, 2, 3, 5, and 11 through 18.

Telecommunications and ancillary service providers - Complete Lines 1, 2, 3, 6, and 11 through 18.

Direct-to-home satellite service providers - Complete Lines 1, 2, 3, 7, and 11 through 18.

Video programming providers other than direct-to-home satellite service providers - Complete Lines 1, 2, 3, 8, and 11 through 18.

Antique spirituous liquor and spirituous liquor retailers - Complete Lines 1, 2, 3, 9, and 11 through 18.

Effective January 1, 2016, Aviation gasoline and jet fuel retailers - Complete Lines 1, 2, 3, 10, and 11 through 18.

Line 1 - Gross Receipts or Sales: Enter the total amount of gross receipts or sales derived from piped natural gas, electricity, telecommunications and ancillary services, direct-to-home satellite service, video programming, antique spirituous liquor and spirituous liquor, and aviation gasoline and jet fuel. Do not include any taxes collected in the amount you enter on Line 1.

Line 2 - Gross Receipts or Sales for Resale: Enter the total amount of gross receipts or sales for resale derived from piped natural gas, electricity, telecommunications and ancillary services, direct-to-home satellite service, video programming, antique spirituous liquor and spirituous liquor, and aviation gasoline and jet fuel.

Line 3 - Exempt Gross Receipts or Sales: Enter the total amount of exempt gross receipts or sales. Do not include any amount of gross receipts or sales for resale reported on Line 2 in the amount entered for Line 3.

Line 4 - Piped Natural Gas: Enter under the column "Receipts and Purchases," the net amount of taxable gross receipts and purchases of piped natural gas subject to tax. Compute the tax due at the 7% combined general rate of sales and use tax due on the net taxable gross receipts and enter that amount under the column "Tax."

Line 5 - Electricity: Enter under the column "Receipts and Purchases," the net amount of taxable gross receipts and purchases of electricity subject to tax. Compute the tax due at the 7% combined general rate of sales and use tax and enter that amount under the column "Tax."

Line 6 - Telecommunications Service and Ancillary Service: Enter under the column "Receipts and Purchases," the net amount of taxable gross receipts derived from telecommunications and ancillary services. Compute the tax due at the 7% combined general rate of sales and use tax and enter that amount under the column "Tax."

Line 7 - Direct-To-Home Satellite Service: Enter under the column "Receipts and Purchases," the net amount of taxable gross receipts derived from direct-to-home satellite service. Compute the tax due at the 7% combined general rate of sales and use tax and enter that amount under the column "Tax."

Line 8 - Video Programming Other Than Direct-To-Home Satellite Service: Enter under the column "Receipts and Purchases," the net amount of taxable gross receipts derived from video programming services other than direct-to-home satellite service. Compute the tax due at the 7% combined general rate of sales and use tax and enter that amount under the column "Tax."

Line 9 - Spirituous Liquor: Enter under the column "Receipts and Purchases," the total taxable sales and purchases of antique spirituous liquor and spirituous liquor. Compute the tax due at the 7% combined general rate of sales and use tax and enter that amount under the column "Tax."

Line 10 - Effective January 1, 2016, Aviation Gasoline and Jet Fuel: Enter under the column "Receipts and Purchases," the net amount of taxable gross receipts and purchases of aviation gasoline and jet fuel. Compute the tax due at the 7% combined general rate of sales and use tax and enter that amount under the column "Tax."

Line 11 - Tax From Lines 4 - 10 Reverse: Add the amounts in the column "Tax" on Lines 4 through 10, and enter the sum.

Line 12 - Excess Collections: Enter any tax collected in excess of the total amount of tax calculated to be due on taxable gross receipts and sales.

Line 13 - Tax Due: Add the tax on Lines 11 and 12 and enter the sum.

Line 14 - Penalty: If the return is filed after the due date, add the failure to file return penalty of 5% per month of the tax shown on Line 13 for each month, or fraction thereof, that the return is filed late. The maximum failure to file return penalty is 25% of the tax due.

If the tax was not paid when due, add the failure to pay tax when due penalty of 10% of the tax shown on Line 13.

Line 15 - Interest: If the return is filed after the due date, compute interest on the total tax shown on Line 13 from the time the tax was due until paid. The Secretary of Revenue establishes the interest rate on a semiannual basis. The interest rate is 5% per year or .417% per month through December 31, 2015. Check the Department's website or contact the Department for the interest rate in effect on or after January 1, 2016.

Line 16 - Less Prepayment for This Period: *(This line is for use by taxpayers remitting \$20,000 or more in tax per month on Form E-500E and therefore required to make prepayments for combined general rate sales and use tax returns or who have made a prior prepayment for this period.)* Enter the total amount of any electronic payment made for this period prior to filing this return.

Line 17 - Prepayment for Next Period: Taxpayers who are consistently liable for at least \$20,000 a month in State sales and use taxes on Form E-500E must make a monthly prepayment of the next month's tax liability. The prepayment is due when the monthly return is due. The prepayment must equal at least 65% of any of the following:

- (1) the amount of tax due for the current month,
- (2) the amount of tax due for the same month in the preceding year, or
- (3) the average monthly amount of tax due in the preceding calendar year.

Penalties or interest will not be due on an underpayment of a prepayment if one of these three calculation methods is used, to determine the amount of the prepayment.

Enter the amount of the current payment to be applied as the prepayment for the next period.

Line 18 - Total Due: Enter the total amount due by adding Lines 13, 14, 15, and 17, and subtracting any prepayment on Line 16, and pay this amount. **Do not fold your return or payment.**

Additional information about combined general rate sales and use tax may be obtained from the Department's website at www.dorn.com or by contacting the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).