

## **Form E-500S Dry-Cleaning Solvent Tax Return** **General Instructions**

1. Use Form E-500S to file and report your dry-cleaning solvent tax. For more information on dry-cleaning solvent tax, click [here](#).
2. A tax return must be filed for each return period by the due date or a delinquent notice for failure to file is issued by the Department. The tax shown due must be paid with the return or penalty and interest will be assessed by the Department. **If you do not owe any tax for a filing period, you must file a return and enter zero (0.00) on Line 6. Do not write "No Tax Due" or any similar text on the return.**
3. Complete the dry-cleaning solvent tax return in its entirety on your computer and print the return.
4. **If you discontinue business operations or sell your business, complete Form NC-BN, Out-of-Business Notification, and mail it separate from any returns to the Department at the address shown on the form.**
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. Do not mail cash, stamps, or post dated checks with your return.
6. Sign the return and payment and mail to the address on the return.

### **How to Prepare Return: Specific Line Instructions**

**Line 1 – Halogenated Hydrocarbon-Based Solvent:** Under the column "Gallons," enter the total number of gallons of halogenated hydrocarbon-based solvent sold by a retailer to a dry-cleaning facility or purchased by a dry-cleaning facility from outside North Carolina for storage, use, or consumption in North Carolina. Compute the tax due on the total amount of "Gallons" at the \$10.00 per gallon rate and enter that amount under the column "Tax."

**Line 2 – Hydrocarbon-Based Solvent:** Under the column "Gallons," enter the total number of gallons of hydrocarbon-based solvent sold by a retailer to a dry-cleaning facility or purchased by a dry-cleaning facility from outside North Carolina for storage, use, or consumption in North Carolina. Compute the tax due on the total amount of "Gallons" at the \$1.35 per gallon rate and enter that amount under the column "Tax."

**Line 3 - Total Tax:** Add the tax amounts on Lines 1 and 2, and enter the sum.

**Line 4 - 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 3 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 3.

**Line 5 - Interest:** If the return is filed after the due date, compute interest on the Total Tax on Line 3 from the time the taxes were 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, 2016. Check the Department's website or contact the Department for the interest rate in effect on or after January 1, 2017.

**Line 6 - Total Due:** Enter the total amount due by adding Lines 3, 4, and 5 and pay this amount. **Do not fold your payment.**

Additional information about machinery and equipment tax may be obtained from the Department's website at [www.dornc.com](http://www.dornc.com).