

## Additional Instructions for Form E-585S

Form E-585S, Incentive Claim for Refund of State and County Sales and Use Taxes, is used for the following types of refunds:

- **Major Recycling Facilities** – Annual refunds are allowed for sales and use taxes paid on building materials, building supplies, fixtures, and equipment that become a part of the real property of the major recycling facility. Liability incurred indirectly by the owner for sales and use taxes on these items is considered tax paid by the owner. A request for a refund is due within six months after the end of the major recycling facility’s fiscal year.
- **Low Enterprise or Development Tier Machinery** – Annual refunds are allowed for sales and use taxes paid at the general rate of tax on engines, machinery, equipment, tools, and implements used or designed to be used in one of the businesses listed in G.S. 105-129.4(a) or 105-129.83(a), provided the property purchased is placed into service in an enterprise tier one or two area as defined in G.S. 105-129.3 or a development tier one area, as defined in G.S. 143B-437.08 and capitalized for tax purposes under the Code and is not leased to another party. Liability incurred indirectly by the taxpayer for sales and use taxes on these items is considered tax paid by the taxpayer. A business is eligible for the refund if it is engaged primarily in one of the businesses listed in G.S. 105-129.4(a) in an enterprise tier one area or an enterprise tier two area, as defined in G.S. 105-129.3 or if it is engaged primarily in one of the businesses listed in G.S. 105-129.83(a) in a development tier one area, as defined in G.S. 143B-437.08. A request for a refund is due within six months after the end of the State’s fiscal year. *Business Types designated (DT) are only applicable for Development Tier. All other Business Types are applicable for both Low Enterprise and Development Tier.*
- **Nonprofit Insurance Companies** – Annual refunds are allowed for sales and use taxes paid on building materials, building supplies, fixtures, and equipment that become a part of real property. Liability incurred indirectly by the company for sales and use taxes on these items is considered tax paid by the company. A request for a refund is due within six months after the end of the insurance company’s fiscal year. An insurance company is eligible for the refund provided it meets the conditions defined in G.S. 105-164.14(i).
- **Certain Industrial Facilities** – Annual refunds are allowed for sales and use taxes paid on qualified building materials, building supplies, fixtures, and equipment that become a part of the real property of the eligible facility. Liability incurred indirectly by the owner for sales and use taxes on these items is considered tax paid by the owner. Building materials, building supplies, fixtures, and equipment are qualified if they are installed in the construction of the facility. Purchases for subsequent repair, renovation, or equipment replacement are not qualified. A facility is eligible for the refund if it meets the conditions defined in G.S. 105-164.14(j). A request for a refund is due within six months after the end of the State’s fiscal year. The refund provision is repealed for purchases made on or after January 1, 2013.
- **Professional Motor Racing Vehicles** – Professional motorsports racing teams are allowed annual refunds of 50% of the sales and use taxes paid on or after July 1, 2007 in this State on tangible personal property, other than tires or accessories, that comprises any part of a professional motor racing vehicle. “Accessories” includes instrumentation, telemetry, consumables, and paint. A request for a refund is due within six months after the end of the State’s fiscal year.
- **Eligible Railroad Intermodal Facility** – Annual refunds are allowed for the owner or lessee of an eligible railroad intermodal facility, as defined in G.S. 105-129.95, for sales and use taxes paid 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 or lessee of the facility for sales and use taxes on these items is considered tax paid by the owner or lessee. A request for a refund is due within six months after the end of the State’s fiscal year.

The Department will take one of the following actions within six months after the date the claim is filed: send the requested refund to you; adjust the amount of the refund; deny the refund; or request additional information. If the Department does not take one of the actions within six months, the inaction is considered a proposed denial of the requested refund. If you object to a proposed denial of a refund, you may request a Departmental review of the action if the request is made in writing within 45 days of the date the notice of proposed denial was mailed to you. If the Department has not taken action within six months, a request for review can be filed at any time between the end of the six-month period and when the Department takes a prescribed action. If a timely request for a Departmental review is not filed, the proposed action is final and is not subject to further administrative or judicial review.

Line by line instructions are included on the reverse.

## Line by Line Instructions

### Part 1 - Lines 1 through 6 are to be completed for all refunds except Professional Motor Racing Vehicles Refunds.

- Line 1 - If all purchases and taxes were paid in only one county, enter the name of that county. If you made purchases and paid county tax in more than one county, you must complete Form E-536R, Schedule of County Sales and Use Taxes for Claims for Refund, to identify the individual counties to which tax was paid. Do not list a county on Line 1 if you are completing Form E-536R.
- Line 2 - Enter in the State Column total refundable purchases of tangible personal property for use on which North Carolina State sales or use tax was paid to retailers. Enter in the County Column total refundable purchases of tangible personal property for use on which county sales or use tax was paid to retailers. Do not include tax paid on such purchases or purchases of items for resale.
- Line 3 - Enter in the State Column total North Carolina State sales and use tax paid directly to retailers on refundable purchases for use, as shown on sales receipts or invoices. Enter in the County Column total county sales and use tax paid directly to retailers on refundable purchases for use as shown on sales receipts or invoices.
- Line 4 - Enter in the State Column the total North Carolina State sales and use tax paid indirectly as shown on contractors' statements on qualifying purchases. Enter in the County Column total county sales and use tax paid indirectly.
- Line 5 - Enter in the State Column the total North Carolina State use tax paid on refundable purchases by your business to the Department on your sales and use tax returns. Enter in the County Column the total county use tax paid on refundable purchases by your business to the Department on your sales and use tax returns.
- Line 6 - Add the State tax on Lines 3, 4, and 5 and enter the total in the State Column. Add the county tax on Lines 3, 4, and 5 and enter the total in the County Column. **If you made purchases and paid county tax in more than one county you must complete Form E-536R, Schedule of County Sales and Use Taxes for Claims for Refund, to identify the individual counties and rates to which tax was paid. The total of all entries made on Form E-536R should equal the county tax shown on Line 6.** Complete Lines 11 and 12 in Part 3.

### Part 2 - Lines 7 through 10 are for Professional Motor Racing Vehicles Refunds only.

- Line 7 - If all purchases and taxes were paid in only one county, enter the name of that county. If you made purchases and paid county tax in more than one county, you must complete Form E-536R, Schedule of County Sales and Use Taxes for Claims for Refund, to identify the individual counties to which tax was paid. Do not list a county on Line 7 if you are completing Form E-536R.
- Line 8 - Enter in the State Column total refundable purchases of tangible personal property for use on which North Carolina State sales or use tax was paid. Enter in the County Column total refundable purchases of tangible personal property for use on which county sales or use tax was paid. Do not include tax paid on such purchases.
- Line 9 - Enter in the State Column the total North Carolina State sales and use tax paid on refundable purchases. Enter in the County Column the total county sales and use tax paid on refundable purchases.
- Line 10 - Multiply the amount in the State Column on Line 9 by **50%** and enter the result. Multiply the amount in the County Column on Line 9 by **50%** and enter the result. **If you made purchases and paid county tax in more than one county you must complete Form E-536R, Schedule of County Sales and Use Taxes for Claims for Refund, to identify the individual counties and rates to which tax was paid. The total of all entries made on Form E-536R should equal the county tax shown on Line 10.** Complete Lines 11 and 12 in Part 3.

### Part 3 - Lines 11 and 12 must be completed for all refunds.

- Line 11 - Add the State and county taxes on Lines 6 and/or 10 and enter the total. This is the total amount of refund that you are requesting.
- Line 12 - Allocate the amount of county tax included on Lines 6 and/or 10 in the County Column to the applicable rate. If you are required to complete Form E-536R, Schedule of County Sales and Use Taxes for Claims for Refund, the amounts entered on Line 12 must equal the total amounts by rate included on Form E-536R.

***If you have questions about how to complete the form, you may call the Taxpayer Assistance and Collection Center toll-free at 1-877-252-3052.***