

SECTION 49 - LOCAL GOVERNMENT PUBLIC TRANSPORTATION SALES TAX ACT**49-1 LOCAL GOVERNMENT PUBLIC TRANSPORTATION SALES TAX ACT**

Article 43 of Subchapter VIII of Chapter 105 of the General Statutes, Local Government Public Transportation Sales Tax Act, authorizes Mecklenburg County to levy an additional ½% local sales and use tax to be used only for public transportation systems. Except as provided in the Article, the adoption, levy, collection, administration, and repeal of the tax shall be in accordance with Article 39 of Chapter 105. **The tax does not apply to the sales price of qualifying food as explained therein.**

History Note: Authority G.S. 105-505 - 105-510; 105-264;
Issued: October 15, 1998;
Revised: February 1, 2004; March 15, 1999.

49-2 ADDITIONAL ½% MECKLENBURG COUNTY SALES AND USE TAX FOR PUBLIC TRANSPORTATION**A. General Information**

The Mecklenburg County Board of Commissioners passed a resolution levying an additional ½% local sales and use tax. The tax applies to sales and purchases of tangible personal property in Mecklenburg County subject to the general State rate of sales and use tax. The additional ½% Mecklenburg County tax does not apply to food that is exempt from the State tax and subject to only the 2% local rate of tax. The additional ½% Mecklenburg County sales and use tax is administered, collected, and distributed by the North Carolina Department of Revenue. The ½% Mecklenburg County levy is in addition to the sales and use tax currently in effect in Mecklenburg County.

B. Sales Tax Imposed

Merchants with business locations in Mecklenburg County, out-of-state merchants engaged in business in Mecklenburg County, and all taxpayers leasing tangible personal property other than motor vehicles in Mecklenburg County are required to collect and remit to the North Carolina Department of Revenue the additional ½% Mecklenburg County sales tax.

Any firm “**engaged in business**” in North Carolina is required to collect and remit to the North Carolina Department of Revenue the additional ½% Mecklenburg County tax on any transactions where delivery of property sold or leased occurs in that county. The additional ½% Mecklenburg County tax applies to the following:

1. the sales price of articles of tangible personal property subject to the general rate of sales tax imposed by the State under G.S. 105-164.4(a)(1) and (a)(4b);
2. the gross receipts derived from the lease or rental of tangible personal property on which the State imposes the general rate of sales tax under G.S. 105-164.4(a)(2);
3. the gross receipts derived from the rental of any room or lodging subject to the general rate of sales tax imposed by the State under G.S. 105-164.4(a)(3); and
4. the gross receipts derived from services rendered by laundries, dry cleaners, cleaning plants and similar type businesses which are subject to the general rate of sales tax imposed by the State under G.S. 105-164.4(a)(4).

The exemptions and exclusions provided in G.S. 105-164.13 will apply in like manner to the additional ½% Mecklenburg County tax. Sales of tangible personal property subject to the general rate of State tax and the applicable county tax by Mecklenburg County vendors where delivery is made in Mecklenburg County to the purchaser or his agent are subject to the additional ½% Mecklenburg County sales tax. Sales of tangible personal property delivered outside of Mecklenburg County are not subject to the additional ½% Mecklenburg County tax provided the property is not returned to Mecklenburg County for storage, use, or consumption in that county.

C. Use Tax Imposed

The additional ½% Mecklenburg County use tax is due on the cost price of each item or article of tangible personal property which is purchased for storage, use, or consumption in Mecklenburg County from out-of-state vendors not required to collect this State's tax. The use tax is imposed only on tangible personal property upon which the State levies the general rate of State tax under G.S. 105-164.4. Mecklenburg County vendees will also be liable for the additional ½% Mecklenburg County use tax on tangible personal property withdrawn for use from an inventory held for sale. The tax is to be paid concurrently with the general rate of State tax and applicable county use tax. A purchaser's liability for the use tax shall be extinguished only upon payment of the tax to the retailer or directly to the Department of Revenue. A credit for sales or use tax paid to another county or local taxing jurisdiction on a purchase of tangible personal property can be taken against the Mecklenburg County use tax due on the same property. If the amount of local sales or use tax paid to another county or taxing jurisdiction is less than the amount of use tax due Mecklenburg County, the purchaser must pay to the Department an amount equal to the difference between the amount paid to the other taxing jurisdiction and the amount due Mecklenburg County. The Department of Revenue may require proof of payment of tax to another taxing jurisdiction as deemed to be necessary and proper. The Mecklenburg County use tax is not subject to credit for payment of any State tax levy.

D. Tax Forms

The additional ½% Mecklenburg County tax is reported on the **".5% Additional County Rate"** line of **Form E-500, Sales and Use Tax Return**.

E. Laundries, Dry Cleaning Plants, or Similar Businesses in Mecklenburg County

A person who operates a laundry, dry cleaning plant, or similar business in Mecklenburg County is liable for charging and remitting the additional ½% Mecklenburg County sales tax only if the items being cleaned are picked up by or delivered to the customers in Mecklenburg County. Items that are cleaned in Mecklenburg County and delivered to customers in other counties in North Carolina or outside the State are not subject to the additional ½% Mecklenburg County tax. An **"independent operator"** who solicits business in Mecklenburg County on his own account but engages a laundering, dry cleaning, or hat blocking firm or similar type business to perform the specified service is liable for collecting and remitting the additional ½% Mecklenburg County tax when the serviced item is delivered to the customer in Mecklenburg County.

F. Hotels, Motels, and Similar Type Businesses

The additional ½% Mecklenburg County sales tax is due on the gross receipts derived from the rental or lease of accommodations in Mecklenburg County.

G. Refund

The refund provisions set forth in G.S. 105-164.14 apply to the additional ½% Mecklenburg County sales and use tax in the same manner as the local sales and use tax rates as shown on the claim for refund forms that are in effect for each refund period. Refer to Sales and Use Tax

Technical Bulletins 12-2, 17-2, 18-2 and 43-1 through 43-4 for additional information concerning the refund provisions.

History Note: Authority G.S. 105-505 - 105-510; 105-264;
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Revised: December 1, 2008; March 1, 2007; July 1, 2005;
February 1, 2004; June 1, 2002.

49-3 GUIDES IN APPLYING THE ADDITIONAL ½% MECKLENBURG COUNTY SALES AND USE TAX

A. Vendors Making Sales of Tangible Personal Property From Places of Business in North Carolina

1. A vendor making retail sales at its place of business in North Carolina must collect and remit the local sales and use tax for the county where the place of business is located when the property is delivered to the customer at the vendor's place of business. A vendor making retail sales and shipping or delivering the property to the customer must charge tax for the county where the property is delivered.
2. A vendor with a place of business in Mecklenburg County is liable for the additional ½% Mecklenburg County sales tax on the retail sale of the tangible personal property delivered in that county. If the vendor delivers the property to the purchaser's address in County B, the vendor should not charge the additional ½% Mecklenburg County tax.
3. A vendor with places of business in Mecklenburg County and County B receives an order at the location in Mecklenburg County. The order is forwarded to County B for approval and acceptance, is filled by delivery from the location in County B, and delivered to the customer's location in Mecklenburg County. The vendor should charge the additional ½% Mecklenburg County sales tax.
4. A vendor with a place of business in Mecklenburg County receives an order that is approved and accepted at the location in Mecklenburg County. The order is filled by delivery from a location in County B to a customer in Mecklenburg County. The vendor should charge the additional ½% Mecklenburg County tax.
5. A vendor whose only place of business is in Mecklenburg County receives an order from a customer in County B and the order is approved and accepted in Mecklenburg County. The order is filled by delivery from a location in County B to a customer in County B. The additional ½% Mecklenburg County sales tax is not due on such sales.
6. A vendor with a place of business in Mecklenburg County receives an order from a customer in County B. The order is accepted and approved in Mecklenburg County, but the property is drop shipped from a point outside North Carolina to the customer in County B. The additional ½% Mecklenburg County sales tax is not due.

B. Vendors Making Sales of Tangible Personal Property From Places of Business Outside of North Carolina

An out-of-state vendor who is “**engaged in business**” in this State, as the term is defined in G.S. 105-164.3(9), is liable for charging and remitting the additional ½% Mecklenburg County use tax on tangible personal property which he sells at retail and delivers for storage, use, or consumption in Mecklenburg County.

C. Persons Leasing or Renting Tangible Personal Property

A lessor who leases or rents tangible personal property is liable for collecting and remitting the applicable State and local tax on the gross receipts derived from the lease or rental. For a lease or rental agreement that requires recurring periodic payments, the payments are sourced according to the principles set out in Sales and Use Tax Technical Bulletin 51-2 B.

History Note: Authority G.S. 105-505 - 105-510; 105-264;
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