



North Carolina Department of Revenue

Beverly Eaves Perdue
Governor

David W. Hoyle
Secretary

January 10, 2012

MEMORANDUM

TO: North Carolina County and Municipality Managers and Finance Officers

FROM: David B. Baker *DBB*
Director, Local Government Division

SUBJECT: Prepayments for Sales and Use Tax and Refunds

For the November 2011 Collections on the Sales and Use Tax Distribution, you may notice an overall reduction in the total distribution amounts due to the amendment of G. S. 105-164.16(b2).

Previously, taxpayers who were consistently liable for at least \$10,000 a month in state and local sales and use taxes were required to make a monthly prepayment of the next month's tax liability. Effective October 1, 2010, the lower threshold increased from \$10,000 to \$15,000 that affected approximately 1,200 taxpayers. Effective October 1, 2011, the threshold increased from \$15,000 to \$20,000. With this law change in prepayment amounts, you will still be distributed monies that you are due; however, these monies will be reflected in December 2011 Collections due to the timing of the payment.

In addition, some counties had higher than normal refund amounts and these can be viewed on the Sales and Use Collections Overview Report.

If you have any questions, please contact the Distribution Unit at (919) 733-7644.