Sales and Use Tax Division
North Carolina Department of Revenue
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Raleigh, North Carolina 27640-0001
www.dornc.com

IMPORTANT NOTICE:
WHITE GOODS DISPOSAL TAX AND REAL PROPERTY CONTRACTS

This important notice is issued under the authority granted the Secretary of Revenue pursuant to N.C. Gen. Stat. § 105-264. The notice addresses the application of the White Goods Disposal Tax under Article 5C of the N.C. General Statutes relative to a new white good purchased for or used to fulfill a real property contract on or after January 1, 2015.

White Goods Disposal Tax

A privilege tax is imposed on a white goods retailer at a flat rate for each new white good that is sold by the retailer at retail other than for a sale a State cannot constitutionally tax, a sale to the United States Government, and a sale for resale. An excise tax is imposed on a new white good purchased outside the State for storage, use, or consumption in this State. The rate of the privilege tax and the excise tax is three dollars ($3.00), which is in addition to all other taxes, for each new white good. N.C. Gen. Stat. §§ 105-187.20(2) and 130A-290(a)(44) define "white goods" as including "refrigerators, ranges, water heaters, freezers, unit air conditioners, washing machines, dishwashers, clothes dryers, and other similar domestic and commercial large appliances." The definitions in N.C. Gen. Stat. § 105-164.3 apply to this notice and to White Goods Disposal Tax, except that for purposes of White Goods Disposal Tax, the term "sale" does not include lease or rental.

Real Property Contractors

A real property contractor, as defined in N.C. Gen. Stat. § 105-164.3, is the consumer of new white goods that the real property contractor installs or applies for others that become part of real property. As such, a real property contractor must pay the three dollar ($3.00) White Goods Disposal Tax at the time of purchase of a new white good to a retailer engaged in business in this State or accrue and pay the tax on a new white good purchased outside the State for storage, use, or consumption in this State.

Retailer-Contractors

A retailer-contractor is liable for collecting and remitting the three dollar ($3.00) White Goods Disposal Tax on each new white good sold at retail. A retailer-contractor acting as a real property contractor is not liable for the three dollar ($3.00) White Goods Disposal Tax on the purchase price of a white good withdrawn from inventory to fulfill a real property contract based on the current imposition language. When a retailer-contractor acts as a real property contractor and purchases a white good outside the State to fulfill a real property contract in the State, the three dollar ($3.00) White Goods Disposal Tax is due on the purchase. Additionally, when a retailer-contractor acts as a real property contractor and purchases a white good inside the State to fulfill a real property contract in the State, the retailer-contractor should pay the ($3.00) White Goods Disposal Tax to the retailer.

Registration & Reporting

A real property contractor, a retailer-contractor, or other person who is not registered with the Department and is required to remit White Goods Disposal Tax, should complete NC-BR, Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Machinery and Equipment Tax. Both an online business registration portal and a web-fill version of Form NC-BR are available at

the Department's website, www.dornc.com. There is no fee required to register and obtain a certificate of registration. White Goods Disposal Tax is reported to the Department on Form E-500H, White Goods Disposal Tax Return and should be submitted with payment of the tax, as applicable. For a reporting period in which there is $0.00 White Goods Disposal Tax due, a return reflecting $0.00 should be submitted to the Department for the period.

Assistance

For additional information about White Goods Disposal Tax, refer to Sales and Use Tax Technical Bulletins Section 29-1. Questions regarding this notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).

To the extent that there is any change in statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance regarding White Goods Disposal Tax issued prior to the date of this notice conflicts with this important notice, the provisions contained in this important notice supersede.