



**Sales and Use Tax Division  
North Carolina Department of Revenue  
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**IMPORTANT NOTICE: CERTAIN PURCHASES FOR USE AT A PORTS FACILITY**

On July 14, 2016, the Governor signed Session Laws 2016-94. Included in the Session Laws is an amendment to the provision in N.C. Gen. Stat. § 105-187.51B(a)(5) that **applies retroactively to purchases made on or after July 1, 2013**. The provision provides that a privilege tax is imposed on certain purchases by a person "located at a ports facility for waterborne commerce that purchases any of the following:

- a. Machinery and equipment that is used at the facility to unload or to facilitate the unloading or processing of bulk cargo to make it suitable for delivery to and use by manufacturing facilities.
- b. Parts, accessories, or attachments used to maintain, repair, replace, upgrade, improve, or otherwise modify such machinery and equipment."

The privilege tax is imposed at a rate of one percent (1.00%) on the purchase price of each qualifying piece of equipment or an attachment or repair part for the equipment with a maximum tax of eighty dollars (\$80.00) per article. N.C. Gen. Stat. § 105-164.13(5a) provides an exemption from sales and use tax for a purchase of tangible personal property subject to the privilege tax. To purchase qualifying tangible personal property without payment of sales tax to the seller, the purchaser should issue [Form E-595E, Streamlined Sales and Use Tax Agreement Certificate of Exemption](#), or the required data elements pursuant to N.C. Gen. Stat. § 105-164.28 to the seller. The privilege tax is imposed on the purchaser. In order to remit the tax due, the purchaser must [obtain a registration](#) for certain machinery and equipment tax. The purchaser should remit the privilege tax due to the Department by filing [Form E-500J, Machinery and Equipment Tax Return](#).

Purchases of tangible personal property, digital property, or taxable services by a person located at a ports facility for waterborne commerce that do not meet the requirements of N.C. Gen. Stat. § 105-187.51B(a)(5) are subject to the general 4.75% State, applicable local (2.00% or 2.25%), and applicable transit (0.50%) rates of sales and use tax.

**Assistance**

General 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 there is any change in the rate or amount of tax, change to a 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 issued prior to the date of this notice conflicts with this important notice, the provisions contained in this important notice supersede.*