



**Sales and Use Tax Division
North Carolina Department of Revenue
Post Office Box 25000
Raleigh, North Carolina 27640-0001
www.dornrc.com**

IMPORTANT NOTICE:
ADDITIONAL 0.25% LOCAL SALES AND USE TAX

Effective October 1, 2014, the following county adopted a resolution to levy an additional 0.25% local sales and use tax:

Davidson

Effective October 1, 2014, the local rate of sales and use tax in the Davidson County is 2.25%. The 4.75% general State and 2.25% local rates of sales and use tax (total rate of 7.00%) apply to taxable sales and purchases of tangible personal property, taxable service contracts to maintain or repair tangible personal property, taxable gross receipts derived from admission charges to an entertainment activity, certain digital property, and other transactions subject to the general State rate of sales and use tax pursuant to the provisions of N.C. Gen. Stat. §105-164.4. Sales of food subject to the 2.00% State rate of tax are not subject to the additional 0.25% local rate of sales and use tax. **The provisions of the Local Government Sales and Use Tax Law, with respect to a retailer or facilitator required to collect use tax in a taxing county, and the liability for local sales and use tax, are applicable to the new levy.**

General State and Applicable Local and Transit Rates as of October 1, 2014

Effective October 1, 2014, the total general State and applicable local and transit rates of sales and use tax is 6.75% in seventy-two counties, 7.00% in Alexander, Buncombe, Cabarrus, Catawba, Cumberland, Davidson, Duplin, Edgecombe, Greene, Halifax, Harnett, Haywood, Hertford, Lee, Martin, Montgomery, New Hanover, Onslow, Pitt, Randolph, Robeson, Rowan, Sampson, Surry and Wilkes Counties, 7.25% in Mecklenburg County, and 7.50% in Durham and Orange Counties.

County Tax Reporting Requirements

A retailer or facilitator required to collect local and transit sales and use tax in more than one county must complete Form E-536, Schedule of County Sales and Use Taxes, and submit it along with the sales and use tax return or enter the local and transit tax information at the time of filing an electronic return. Form E-536 or the electronic information should reflect the amount of local and transit tax collected for each county by a retailer or facilitator. Form E-536 and the Department's electronic services will be revised to accommodate the 2.25% Davidson County local tax rate for returns due to be filed for periods beginning October 1, 2014. Purchases of taxable products by a person for storage, use, consumption or distribution in Davidson County on or after October 1, 2014 are subject to the 2.25% local rate of sales and use tax.

Additional Information

For general guidance on the administration of the sales and use tax rate increase for Davidson County relating to leases or rentals, construction contracts including change orders, layaway sales, gross receipts derived from the rental of accommodations, taxable service contracts to maintain or repair tangible personal property, taxable gross receipts derived from admission charges to an entertainment activity and reporting on the cash basis of accounting, review the publication at the following link: <http://www.dornrc.com/taxes/sales/taxrates.html>.

Assistance

The revised Form E-536, Schedule of County Sales and Use Taxes, will be available after October 1, 2014 and can be obtained on the Department's website or by calling the Department's Forms Line at 1-877-252-3052 (toll-free) after October 1, 2014. Questions regarding this notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).