



E-589F

Affidavit to Exempt Certain Purchases From the Additional 0.50% Transit Sales and Use Tax

Check appropriate box:

☐ Durham

☐ Orange

This affidavit is to be used in connection with sales or purchases of tangible personal property, digital property, or services for use in the performance of lump-sum or unit-price contracts in **Durham or Orange Counties** entered into or awarded prior to April 1, 2013, or entered into or awarded pursuant to any bids made prior to April 1, 2013. This affidavit is to be executed by a person to their suppliers of tangible personal property, digital property, or services and is valid only when used in connection with the additional 0.50% Transit sales and use tax for public transportation in Durham or Orange Counties.

☐ Wake

This affidavit is to be used in connection with sales or purchases on or after April 1, 2017 of tangible personal property, digital property, or services for use in the performance of lump-sum or unit-price contracts in **Wake County** entered into or awarded prior to April 1, 2017, or entered into or awarded pursuant to any bids made prior to April 1, 2017. This affidavit is to be executed by a person to their supplier of tangible personal property, digital property, or services and is valid for the additional 0.50% Transit sales and use tax for public transportation in Wake County.

This is to certify that _____, a person, entered into a lump-sum or unit-price contract with _____ on _____ or pursuant to a bid made on _____ whereby said person agreed to furnish **tangible personal property, digital property, or services** at the following address _____. This affidavit is submitted by the below named person to _____, a supplier of **tangible personal property, digital property, or services**, for the purpose of authorizing said supplier to furnish **tangible personal property, digital property, or services** to the person for use in a lump-sum or unit-price contract in Durham, Orange, or Wake Counties without charging the additional 0.50% Transit sales or use tax on qualifying property or services, as provided herein.

It is understood and agreed that the person who issues this affidavit will retain the original or duplicate original of said lump-sum or unit-price contract and a copy of the issued form on file for examination by an authorized agent of the Secretary of Revenue of North Carolina with respect to the sales and use tax liability of the aforesaid person.

Person (Issuer of Form)

By: _____
Authorized Agent of Person Title Telephone Number Date

General Guidance and Instructions

1. For the purpose of this affidavit, a “person” may include a real property contractor, retailer-contractor, or a subcontractor of a real property or retailer-contractor.
2. This affidavit must be fully completed in all respects by a person who has: (a) entered into a lump-sum or unit-price contract, or was awarded such contract in **Durham or Orange Counties** pursuant to a bid made, prior to April 1, 2013. The affidavit must be submitted by such person to a supplier of **tangible personal property, digital property, or services** as evidence of the holding of such lump-sum or unit-price contract; or (b) entered into a lump-sum or unit-price contract, or was awarded such contract in **Wake County** pursuant to a bid made prior to April 1, 2017.
3. Where a retailer-contractor, acts as a contractor or subcontractor, withdraws tangible personal property from inventory and installs or applies the tangible personal property to real property to fulfill a contract, such person must accrue and remit use tax on the retailer-contractor’s purchase price of the tangible personal property, unless an exemption for tangible personal property is in effect on the date the lump-sum or unit-price contract is entered into or awarded pursuant to a bid.
4. “[T]he liability of a retailer-contractor, a subcontractor, an owner, or lessee who did not purchase the property or service is satisfied by receipt of an affidavit from the purchaser certifying that the tax has been paid.” N.C. Gen. Stat. § 105-164.4H(b1). Additionally, N.C. Gen. Stat. § 105-164.6(b) provides “[t]he tax imposed by this section is payable by the person who purchases, leases, or rents tangible personal property or digital property or who purchases a service. *If the property purchased becomes a part of a building or other structure in the State and the purchaser is a contractor or subcontractor, the contractor, the subcontractor, and the owner of the building are jointly and severally liable for the tax. The liability of a contractor, a subcontractor, or an owner who did not purchase the property is satisfied by receipt of an affidavit from the purchaser certifying the tax has been paid.*” [Emphasis added.]
5. Purchase orders, invoices, shipping orders, delivery tickets or any other pertinent records of a person will be subject to examination as evidence of facts.
6. Under the provisions of N.C. Gen. Stat. § 105-236(7), any person who willfully attempts, or who aids or abets any person to attempt, in any manner to evade or defeat any tax imposed by law, or the payment of the tax, is guilty of a Class H felony. For each misuse of an exemption certificate, the Secretary must assess against the purchaser a penalty of \$250.