

## **17 NCAC 05G .0102      DEFINITIONS**

In addition to the definitions in G.S. 105-130.4, as used in this Subchapter, the following definitions shall apply:

- (1) "Billing address" means the location stated in the books and records of the taxpayer as the primary mailing address relating to a customer's account as of the time of the transaction as kept in good faith in the regular course of business and not for tax avoidance purposes.
- (2) "Business customer" means a customer that is a business operating in any form, including a sole proprietorship. Sales to a non-profit organization; a trust; the U.S. Government; a foreign, state or local government; or to an agency or instrumentality of that government are treated as sales to a business customer.
- (3) "Code" means as defined in G.S. 105-228.90.
- (4) "Department" means the North Carolina Department of Revenue.
- (5) "Good faith" means a state of mind consisting in honesty in belief or purpose, faithfulness to one's duty or obligation, observance of reasonable commercial standards of fair dealing in a given trade or business, or absence of intent to defraud or to seek unconscionable advantage.
- (6) "Individual customer" means a customer that is not a business customer.
- (7) "Intangible property" means property that is not physical or whose representation by physical means is incidental and includes:
  - (a) copyrights;
  - (b) patents;
  - (c) trademarks;
  - (d) trade names;
  - (e) brand names;
  - (f) franchises;
  - (g) licenses;
  - (h) trade secrets;
  - (i) trade dress;
  - (j) information;
  - (k) know-how;
  - (l) methods;
  - (m) programs;
  - (n) procedures;
  - (o) systems;
  - (p) formulae;
  - (q) processes;
  - (r) technical data;
  - (s) designs;
  - (t) literary,
  - (u) musical, or artistic compositions;
  - (v) information;
  - (w) ideas;
  - (x) contract rights including broadcast rights;
  - (y) agreements not to compete;
  - (z) goodwill and going concern value;
  - (aa) securities; and
  - (bb) except as otherwise provided in these Rules, computer software.
- (8) "Place of order" means the physical location where a customer places an order for a sale from a taxpayer, resulting in a contract with the taxpayer.
- (9) "Population" means the most recent population data maintained by the U.S. Census Bureau for the year in question as of the close of the taxable period. Census data is hereby incorporated by reference, including subsequent amendments or additions, and is available free of charge at [census.gov/topics/population.html](http://census.gov/topics/population.html).
- (10) "Reasonable" or "reasonably" means agreeable to reason; just; proper; ordinary or usual.
- (11) "Related entity" means as defined in G.S. 105-130.7A.
- (12) "Secretary" means the Secretary of Revenue.
- (13) "State where a contract of sale is principally managed by the customer" means the primary location where an employee or other representative of a customer serves as the primary contact

person for the taxpayer with respect to the day-to-day execution and performance of a contract entered into by the taxpayer with the customer.

*History Note:* Authority G.S. 105-130.4; S.L. 2016-94;  
Eff. January 1, 2020 (See S.L. 2019-246, s. 3).