

SECTION .4300 – REFUNDS TO INTERSTATE CARRIERS

17 NCAC 07B .4301 REFUNDS TO INTERSTATE CARRIERS

(a) Scope. -- This Rule explains the sales and use tax refund allowed to interstate carriers under G.S. 105-164.14(a). Taxes listed in 17 NCAC 07B .1602(f) are not eligible for refund as exceeding the scope of G.S. 105-164.14(a).

(b) Eligible Items. -- The items eligible for refund are railway cars and locomotives, and fuel, lubricants, repair parts, accessories, service contracts, and repair, maintenance, and installation services for a motor vehicle, railroad car, locomotive, or airplane the carrier operates. Other items eligible for refund when purchased by an interstate carrier for a motor vehicle, railroad car, locomotive, or airplane it operates include:

- (1) antennas;
- (2) antifreeze;
- (3) bedding for motor vehicle sleeping compartments;
- (4) charts for tachographs;
- (5) decals for motor vehicles;
- (6) emergency flares and reflectors;
- (7) fire extinguishers;
- (8) freon or nitrogen used in refrigerating and cooling motor vehicles;
- (9) furniture pads;
- (10) lifeboats and oxygen masks;
- (11) load jacks and chains;
- (12) mobile CB radios;
- (13) motor vehicle seat cushions;
- (14) paints for decals;
- (15) polyethylene liners used to waterproof trailers;
- (16) pouches for registration cards and permits;
- (17) radios;
- (18) ramp equipment used to embark or disembark aircraft;
- (19) ropes and chains to tie down cargo (adapted for use on motor vehicles; otherwise not allowed);
- (20) signs attached to trucks;
- (21) tarpaulins;
- (22) tire chains;
- (23) tire and tubes;
- (24) welding rods for repair of motor vehicles;
- (25) windshield solvents; or
- (26) zipped covers for grills.

(c) Items not Eligible. -- The following items not eligible for refund under G.S. 105-164.14(a) include:

- (1) certain digital property, as defined in G.S. 105-164.3;
- (2) drivers' gloves;
- (3) drivers' uniforms;
- (4) food trays on airplanes;
- (5) fork lift tires and parts;
- (6) gauges for testing equipment;
- (7) hand trucks;
- (8) pallets;
- (9) pillows on airplanes;
- (10) piped natural gas;
- (11) security seals;
- (12) tire volume discounts;
- (13) tools, shop supplies;
- (14) trip logs; or
- (15) wax and washing supplies.

(d) Amount of Refund. -- G.S. 105-164.14(a) sets out the formula for computing the amount of a refund. Under the formula, an interstate carrier may receive a refund for a percentage of the tax paid on eligible items.

(e) Due date of Claim for Refund. -- An interstate carrier claim for refund shall be filed quarterly on Form E-581, Interstate Carrier Claim for Refund State, County, and Transit Sales and Use Taxes. A claim is due within 60 days

from the close of each calendar quarter ending in March, June, September, and December of each year covering the purchases or acquisitions during the preceding quarter.

(f) Form E-581, requires the following information:

- (1) name and address of entity requesting the refund;
- (2) Federal Employer Identification Number;
- (3) North Carolina sales and use tax account number;
- (4) refund period beginning and ending dates;
- (5) contact person name and telephone number;
- (6) name(s) of the taxing county;
- (7) total miles of operation;
- (8) total miles operated in North Carolina;
- (9) the ratio of miles operated in North Carolina;
- (10) total eligible purchases inside and outside North Carolina, not including sales tax paid;
- (12) purchases per mile ratio;
- (13) state sales and use tax paid on eligible purchases;
- (14) state sales and use tax on purchases per mile ratio;
- (15) amount of state sales and use tax refund;
- (16) the ratio of county and transit sales and use tax refund;
- (17) county and transit sales and use tax paid on eligible purchases;
- (18) amount of county and transit sales and use tax refund;
- (19) total refund amount requested;
- (20) signature of person authorized to legally bind entity and date form signed.

(g) Aviation Gasoline and Jet Fuel. -- An interstate carrier's claim for refund for taxes paid at the combined general rate pursuant to G.S. 105-164.4(a)(15), shall be filed quarterly on Form E-581A, Interstate Carrier Claim for Refund Combined General Rate Sales and Use Taxes. A claim is due within 60 days from the close of each calendar quarter ending in March, June, September, and December of each year covering the purchases or acquisitions during the preceding quarter.

(h) Form E-581A, requires the following information:

- (1) name and address of entity requesting the refund;
- (2) Federal Employer Identification Number;
- (3) North Carolina sales and use tax account number;
- (4) refund period beginning and ending dates;
- (5) contact person name and telephone number;
- (6) total miles of operation;
- (7) total miles operated in North Carolina;
- (8) ratio of miles operated in North Carolina;
- (9) total North Carolina combined general rate of sales and use tax paid on all purchases of aviation gasoline and jet fuel;
- (10) total refund amount requested;
- (11) signature of person authorized to legally bind entity and date form signed.

History Note: Authority G.S. 105-164.4; 105-164.6; 105-164.14; 105-262; 105-264; 105-467; 105-468; 105-469; 105-483; 105-498; 105-507.2; 105-509.1; 105-510.1; 105-511.3; 105-537; 105-538; Eff. February 1, 1976;
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Readopted Eff. January 1, 2024.