

SECTION .0200 – GENERAL PRINCIPLES OF APPLICATION

17 NCAC 05G .0201 ASSIGNMENT OF RECEIPTS FROM SALES OF OTHER THAN TANGIBLE PERSONAL PROPERTY

A taxpayer's assignment of receipts from sales other than of tangible personal property shall comply with the following:

- (1) A taxpayer shall apply the rules set forth in this Subchapter based on objective criteria and shall consider all sources of information reasonably available to the taxpayer at the time of its tax filing including the taxpayer's books and records kept in the regular course of business. A taxpayer shall determine its method of assigning receipts in good faith, and apply it consistently with respect to similar transactions. A taxpayer shall retain contemporaneous records that explain the determination and application of its method of assigning its receipts, including its underlying assumptions, and shall provide those records to the Secretary upon request, as provided in Article 9 of G.S. 105.
- (2) This Subchapter provides assignment rules that apply sequentially in a hierarchy. For each sale to which a hierarchical rule applies, a taxpayer shall make a reasonable effort to apply the primary rule applicable to the sale before seeking to apply the next rule in the hierarchy and shall continue to do so with each succeeding rule in the hierarchy.
- (3) A taxpayer's method of assigning its receipts shall reflect an attempt to obtain the most accurate assignment of receipts consistent with the rules set forth in this Subchapter, rather than an attempt to lower the taxpayer's tax liability.

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