

**17 NCAC 07B .0113 AUCTIONEERS AND AUCTION SALES**

(a) Auctioneers who buy or acquire tangible personal property by consignment or otherwise which they sell at retail on their own account shall collect and remit the tax due on such sales and must have a Certificate of Registration. This includes persons who operate auction barns or similar places of business where they regularly receive merchandise on a consignment or some other basis and sell such items at auction.

(b) Auctioneers are not liable for collecting and remitting sales tax when they sell tangible personal property for the owners strictly in the capacity of an auctioneer and charge or receive a percentage of the sales price or other fee as compensation for their services. In these type transactions, the auctioneer is acting as agent for the owner of the property. Examples of auction sales on which no sales tax is due are estate sales of household possessions and sales of farm machinery and equipment for a farmer going out of business when such sales are conducted at the property owner's home or farm.

(c) If a retail or wholesale business conducts an auction sale as, for example, when it is going out of business, it shall collect and remit sales tax on any retail sales of the inventory of goods which it held for resale. The tax base is the sales price of the item before deducting the compensation paid to the auctioneer. Sales of store fixtures and equipment held for use in operating the business are exempt from sales tax as occasional or isolated sales by someone not engaged in the business of selling that kind of property.

*History Note: Authority G.S. 105-164.3; 105-164.4; 105-262; Article 39; Article 40; Article 42; Article 43; Article 44;  
Eff. February 1, 1976;  
Amended Eff. April 1, 2006; October 1, 1993.*