



**Sales and Use Tax Division  
North Carolina Department of Revenue  
Post Office Box 25000  
Raleigh, North Carolina 27640-0001  
[www.dornrc.com](http://www.dornrc.com)**

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**IMPORTANT NOTICE: WAKE COUNTY TRANSIT SALES AND USE TAX**

**Effective April 1, 2017, Wake County by resolution levies an additional 0.50% local sales and use tax.** The additional 0.50% local sales and use tax is for the benefit and purpose of the Research Triangle Regional Public Transportation Authority (dba GoTriangle) and is to be used only for public transportation systems. The 0.50% Wake County Transit Sales and Use Tax is in addition to the general 4.75% State and Wake County local 2.00% sales and use taxes for a total rate of 7.25%. Retailers should collect and are liable for the additional 0.50% Wake County Transit Sales and Use Tax on the sales price of or the gross receipts derived from retail sales, leases, and other transactions sourced to Wake County, including items sold by a retailer to a customer in another county where the retailer delivers the product to the customer in Wake County. **The provisions of the Local Government Sales and Use Tax Law, with respect to a retailer or facilitator required to collect sales and use tax in a taxing county, and the liability for local sales and use tax, are applicable to the new Transit levy.**

**Application of Additional 0.50% Wake County Transit Sales and Use Tax**

The 0.50% Wake County Transit Sales and Use Tax applies to the sales price or purchase price of, or the gross receipts derived from items and transactions subject to the general 4.75% State rate of tax, as provided in N.C. Gen. Stat. § 105-164.4 and includes the following:

- Tangible personal property not specifically subject to another rate of sales tax
- Lease or rental of tangible personal property that is not specifically subject to another rate of sales tax
- Rentals of accommodations
- Receipts from laundry, dry cleaning, linen rental, etc. but does not include receipts derived from coin, token, or card-operated washing machines, extractors, and dryers
- Receipts from the sale or recharge of prepaid telephone calling service, including prepaid wireless calling service
- Receipts from providing satellite digital audio radio service
- Sales or leases of certain digital property including: an audio work, an audiovisual work, a book, a magazine, a newspaper, a newsletter, a report, or another publication, a photograph, and a greeting card
- Admission charges to an entertainment activity
- Service contracts
- Prepaid meal plans
- Repair, maintenance, and installation services

The 0.50% Wake County Transit Sales and Use Tax **does not apply** to the sales price or purchase price of, or the gross receipts derived from the following:

- Manufactured homes
- Modular homes
- Aircraft
- Qualified jet engines
- Boats
- Telecommunications service and ancillary service
- Video programming
- Spirituous liquors
- Electricity
- Piped natural gas
- Aviation gasoline and jet fuel
- Foods subject to the 2.00% rate of tax

**Reporting Wake County Transit Sales and Use Tax**

The taxable receipts, rentals, and sales subject to the 0.50% Wake County Transit Sales and Use Tax should be reported on line 11 of Form E-500 under "Receipts."

Purchasers should report and remit the additional 0.50% Wake County Transit Sales and Use Tax on the purchase price of or the gross receipts derived from items and transactions, as applicable, on line 11 of Form E-500 under "Purchases for Use."

See below for a partial view of the web-fill version of Form E-500 with line 11 highlighted for ease to assist with identifying the proper reporting location.

Tax Type	Purchases for Use	Receipts	Rate	Tax
4. Gen. State Rate	0.00 +	0.00	× 4.75% =	0.00
5. 3% State Rate	0.00 +	0.00	× 3% =	0.00
6. Modular Homes	0.00 +	0.00	× 4.75% =	0.00
7. Mfg. Homes	0.00 +	0.00	× 4.75% =	0.00
8. 2% Food Rate	0.00 +	0.00	× 2% =	0.00
9. 2% County Rate <i>See Instructions</i>	0.00 +	0.00	× 2% =	0.00
10. 2.25% County Rate	0.00 +	0.00	× 2.25% =	0.00
11. 0.5% Transit County Rate	0.00 +	0.00	× 0.5% =	0.00
12. 0.25% Transit County Rate	0.00 +	0.00	× 0.25% =	0.00

**Local County and Transit Tax Additional Reporting Requirements**

A retailer, facilitator, or purchaser liable for local and transit sales and use tax in a county in which their business is not located, or for more than one county, must complete Form E-536, Schedule of County Sales and Use Taxes, and submit it along with Form E-500, Sales and Use Tax Return, or enter the applicable local and transit tax information for each county at the time of filing an electronic return through the Department's [Online Filing and Payments](#) service. Form E-536 or the electronic information should reflect the amount of local and transit tax due for each county for a retailer, facilitator, or purchaser. Form E-536 and the Department's electronic services will be revised (as shown below) to accommodate the 0.50% Wake County Transit Sales and Use Tax rate applicable to sales or purchases on or after April 1, 2017. The revised Form E-536 will be available by April 26, 2017, and can be obtained on the Department's website <http://www.dorn.com/downloads/sales.html> or by calling the Department's Forms Line at 1-877-252-3052 (toll-free).

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Account ID	Period Ending (MM-DD-YY)	Legal Name

County and Code	County 2.00% Tax	County 2.25% Tax	Transit 0.50% Tax
Wake 92	0.00		0.00
Warren 93	0.00		
Washington 94	0.00		

**Additional Information**

For general guidance on the administration and application of the Wake County sales and use tax rate increase relating to leases or rentals, real property contracts (lump-sum and unit-price) including change orders, layaway sales, gross receipts derived from the rental of accommodations, taxable service contracts, taxable gross receipts derived from admission charges to an entertainment activity and reporting of tax on the cash basis of accounting for sales and use tax purposes, please review the publication at the following location on the Department's website: [www.dorn.com/taxes/sales/generalguidancelocaltax.pdf](http://www.dorn.com/taxes/sales/generalguidancelocaltax.pdf). Form E-589F, Affidavit to Exempt Contractors From the Additional 0.50% Transit Sales and Use Tax, will be updated to use with sales or purchases of tangible personal property, digital property or taxable services for use in the performance of lump sum or unit-price contracts in Wake County.

**Assistance**

Questions regarding this notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).