

Marketplace Facilitator and Marketplace Seller FAQs

When does North Carolina require marketplace facilitators to begin collecting and reporting sales and use tax on behalf of their marketplace sellers?

The marketplace facilitator provisions are effective February 1, 2020 and apply to sales occurring on or after that date. [Refer to Session Law 2019-246.](#)

Is the marketplace facilitator required to collect and remit tax on behalf of all its marketplace sellers?

Yes. Once the Threshold is met, the marketplace facilitator is required to collect and remit sales tax on behalf of all its marketplace sellers regardless of whether the marketplace seller:

- has a physical presence in North Carolina;
- is registered as a retailer in North Carolina;
- would have been required to collect and remit sales and use tax had the sales not been made through a marketplace; or
- would not have been required to collect and remit sales and use tax had the sales not been made through a marketplace.

Is the marketplace seller required to collect and remit tax on its sales through a marketplace facilitator?

Generally, no. However, if the marketplace seller has met the Threshold through multiple channels and also sells through a marketplace facilitator that has not met the Threshold, the marketplace seller would be responsible for collecting and remitting sales and use tax on such sales. [Refer to the Remote Sales webpage](#) for additional details.

Is the Threshold computed on the previous calendar year's sales, current calendar year's sales, or both?

Both.

How is the Threshold computed?

The sales price of all sales of tangible personal property, digital property, and services sourced to North Carolina are added together to determine whether the marketplace facilitator or marketplace seller meets or exceeds the Threshold, including taxable sales, sales for resale, exempt sales, nontaxable sales, marketplace-facilitated sales, and sales as a marketplace seller.

When computing the Threshold for multi-channel sellers (e.g., sellers that sell on marketplaces, on their own websites, and ship from their physical locations), do you combine the number of transactions/dollar amount of sales for all the channels or treat each sales channel separately?

The number of transactions/dollar amount of sales for all the channels are combined in determining if the seller is engaged in business in North Carolina.

Example –

- Seller ABC offers its items for sale on Marketplace XYZ, on Seller ABC's website, and at Seller ABC's brick and mortar store.
- Seller ABC's sales on Marketplace XYZ are \$120,000 sourced to North Carolina, \$95,000 sourced to State B, and \$25,000 sourced to State C.
- Seller ABC's sales from its own website are \$75,000 sourced to North Carolina, \$20,000 sourced to State B, and \$80,000 sourced to State C.
- Seller ABC's sales from its brick and mortar location in State D are \$30,000.

In the example above, seller ABC had \$120,000 in sales sourced to North Carolina on Marketplace XYZ and \$75,000 in sales sourced to North Carolina from its website for purposes of determining whether the seller has met or exceeded the Threshold. Similarly, Marketplace XYZ would include the \$120,000 in sales sourced to North Carolina in its own computation to determine if it has met or exceeded the Threshold.

Are marketplace facilitators and marketplace sellers required to collect and remit sales tax on sales made via the Internet?

A marketplace facilitator that has met the Threshold is required to collect and remit tax on all taxable marketplace-facilitated sales sourced to North Carolina, including sales made online.

A marketplace seller that has met the Threshold is generally required to collect and remit tax on all taxable sales sourced to North Carolina except for marketplace-facilitated sales where the marketplace facilitator is required to collect and remit the sales and use tax. [Refer to the Remote Sales webpage](#) for additional details.

Is a non-U.S. marketplace facilitator that makes remote sales sourced to North Carolina that has met the Threshold required to collect and remit North Carolina sales and use tax?

Yes. A marketplace facilitator that has met the Threshold is engaged in business in North Carolina and is considered the retailer of each marketplace-facilitated sale it makes and is liable for collecting and remitting the sales and use tax due on all such sales.

Is the marketplace facilitator required to provide certification that it will collect and remit tax on behalf of the marketplace seller?

No. The marketplace facilitator is the retailer required to collect and remit tax on marketplace-facilitated sales.

Is a marketplace facilitator required to collect any other types of taxes?

Yes. If a marketplace facilitator meets the Threshold, the marketplace facilitator is required to collect and remit [motor vehicle lease and subscription tax](#), [scrap tire disposal tax](#), [white goods disposal tax](#), [dry-cleaning solvent tax](#), and the [911 service charge for prepaid wireless telecommunications service](#), as applicable. Consult your tax professional regarding other types of taxes that may be due in North Carolina.

Is a marketplace seller who only sells through a marketplace facilitator and does not have a physical presence in North Carolina required to register and file a return if the marketplace facilitator is required to collect and remit on all the marketplace seller's transactions?

No.

Is a marketplace seller who only sells through a marketplace facilitator but has a physical presence in North Carolina required to register and file a return if the marketplace facilitator is required to collect and remit tax on all the marketplace seller's transactions?

No. However, a marketplace seller who has a physical presence in North Carolina is required to register and remit use tax on tangible personal property purchased, leased, or rented inside or outside this State for storage, use, or consumption in North Carolina pursuant to N.C. Gen. Stat. § 105-164.6. Use tax is also due on taxable services sourced to North Carolina and certain digital property purchased inside or outside this State for storage, use, or consumption in North Carolina.

Is a marketplace seller that sells through a marketplace and also has direct sales sourced to North Carolina required to register and file a return with North Carolina?

If the marketplace seller has met the Threshold through its multiple channels, the marketplace seller is required to collect and remit sales and use tax on its direct sales sourced to North Carolina. The marketplace facilitator is responsible for collecting and remitting sales and use tax on the marketplace-facilitated sales. [Refer to the Remote Sales webpage](#) for additional details.

Can marketplace facilitators or marketplace sellers register without meeting the Threshold?

Yes.

How do marketplace facilitators and marketplace sellers register for North Carolina sales and use tax?

North Carolina is a member of the Streamlined Sales and Use Tax Governing Board, Inc. ("SSTGB"). Sellers can register with all 24 Streamlined member states (AR, GA, IN, IA, KS, KY, MI, MN, NE, NV, NJ, NC, ND, OH, OK, RI, SD, TN, UT, VT, WA, WV, WI, and WY) by completing one online application through the Streamlined Sales Tax Registration System. There is no fee to complete and submit this online registration form, available at www.sstregister.org.

Sellers can also register directly with North Carolina by using the Department's [online business registration](#) portal or by submitting a completed Form NC-BR, Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Other Tax and Service Charge. There is no fee to apply for a certificate of registration in North Carolina. General questions about business registrations may be directed to 1-877-252-3052.

[Is a marketplace seller required to report sales through a marketplace separately from direct sales sourced to North Carolina on its sales and use tax return?](#)

A marketplace seller should include marketplace-facilitated sales and direct sales on Line 1, "North Carolina Gross Receipts," of the Sales and Use Tax Return, Form E-500. Sales through a marketplace facilitator should be included on Line 2, "Sales for Resale," of the Sales and Use Tax Return. Direct sales for which the marketplace seller is responsible for collecting and remitting sales and use tax should be reported in the taxable "Receipts" column at the applicable rates of sales and use tax. The marketplace-facilitated sales are not reported by a marketplace seller as taxable receipts.

[Is a marketplace facilitator required to identify sales made on behalf of marketplace sellers separately from its own direct sales sourced to North Carolina on its return?](#)

No. Sales made on behalf of marketplace sellers and direct sales made by a marketplace facilitator are added together and reported in the taxable "Receipts" column at the applicable rates on the marketplace facilitator's return.

[Does North Carolina allow the marketplace facilitator to file a separate return for marketplace-facilitated sales?](#)

Yes. Taxpayers seeking to file a separate return for its marketplace-facilitated sales should register for a second sales and use tax account identification number using the Department's [online business registration portal](#) or by submitting a completed [Form NC-BR](#), Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Other Taxes and Service Charge, available on the Department's website, www.ncdor.gov.

[Who is responsible for obtaining and maintaining a certificate of exemption for a marketplace-facilitated sale?](#)

A marketplace facilitator is the retailer responsible for maintaining records that establish a marketplace-facilitated sale is exempt from sales and use tax.

Does a marketplace seller need to receive a certificate of exemption from a marketplace facilitator for the marketplace seller's marketplace-facilitated sales?

No. A marketplace seller is not required to obtain a certificate of exemption for a marketplace-facilitated sale. The marketplace seller and marketplace facilitator should maintain any contract or agreement between the parties, the required monthly marketplace facilitator reports, and any other records that establish their sales and use tax liability.

Is liability relief available for the marketplace facilitator or marketplace seller?

Liability relief is available to a marketplace facilitator only in a specific situation as provided in N.C. Gen. Stat. 105-164.4J(d). [Refer to Session Law 2019-246, s. 4.\(c\)](#). A marketplace facilitator that has met the Threshold is required to collect and remit sales tax on behalf of all its marketplace sellers.