



**Sales and Use Tax Division  
North Carolina Department of Revenue  
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**IMPORTANT NOTICE: Repeal of Article 5F (Certain Machinery and Equipment Tax)**

This Important Notice serves as a reminder that effective July 1, 2018, Article 5F of Chapter 105 of the North Carolina General Statutes is repealed for sales and purchases occurring on or after such date. Therefore, sales and purchases of qualifying mill machinery, mill machinery parts or accessories, and other qualifying items for specific industries on or after July 1, 2018 are no longer subject to the one percent (1%) privilege tax; however, such purchases continue to be exempt from sales and use tax pursuant to the sales and use tax exemptions in N.C. Gen. Stat. § 105-164.13(5e) through (5m) as enacted effective July 1, 2018.

A final [Form E-500J](#), Machinery and Equipment Tax Return, should be filed for the month ending June 30, 2018 or the quarter ending June 30, 2018, depending on the existing filing frequency for the account number. **The Department will programmatically close all active Certain Machinery and Equipment accounts as of June 30, 2018 in its system; therefore, the Form NC-BN, Out-of-Business Notification, is not required to be submitted along with a final return for the filing period ending June 30, 2018.**

A taxpayer who discovers it made an overpayment of the 1% privilege tax for a period ending on or before June 30, 2018, may file [Form E-588J](#), Claim for Refund Certain Machinery and Equipment Tax, subject to the statute of limitations, to request a refund of the overpayment of tax.

*To the extent there is any change in the rate or amount of tax, change to a statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance issued prior to the date of this notice conflicts with this important notice, the provisions contained in this important notice supersede.*