



**Sales and Use Tax Division
North Carolina Department of Revenue
Post Office Box 25000
Raleigh, North Carolina 27640-0001
www.ncdor.gov**

North Carolina Information for Streamlined Sales Tax Participants

1. Introduction

North Carolina joined the Streamlined Sales Tax (SST) Agreement on October 1, 2005

Description of Streamlined Sales Tax Project

- North Carolina is involved in the Streamlined Sales Tax Project (Project), an effort created by state governments, with input from local governments and the private sector, to simplify and modernize sales and use tax collection and administration. The Project's proposals include tax law simplifications, more efficient administrative procedures, and emerging technologies to substantially reduce the burden of tax collection for both Main Street and remote sellers for all types of commerce.
- On July 1, 2005, thirteen states, including North Carolina, were found to be in substantial compliance as full members with the Agreement. Five states were found to qualify as associate members. As a result of this action, the Agreement became effective October 1, 2005.
- This document contains information needed by taxpayers and developers who will be remitting returns, payments, reports, and other information as defined by the Streamlined Sales Tax Governing Board, Inc. (Governing Board).

2. Contact Personnel

- Questions regarding the Rates & Boundaries Databases, Simplified Electronic Return, and Initial Approvals can be sent to:

**Ed Strickland
North Carolina Department of Revenue
Sales and Use Tax Division
PO Box 871
Raleigh, NC 27602-0871**

**Phone: (919) 814-1082
Fax: (919) 715-0295
edward.strickland@ncdor.gov**

- Questions about Electronic Funds Transfer (EFT) can be sent to:

**North Carolina Department of Revenue
Electronic Payments Unit
PO Box 25000
Raleigh, NC 27640**

**Phone: (919) 814-1501
Fax: (919) 733-3149
NCtaxEpay@ncdor.gov**

3. Developer Responsibilities for Certified Service Providers (CSP) and Certified Automated System (CAS)

- CSPs and CASs must comply with requirements as defined by the Agreement and those included in Requests for Proposal or Contracts issued by the Governing Board as it relates to the certification process.
- CSPs and CASs must also comply with North Carolina Laws.

4. Publications

- URL For State Taxability Matrix
www.ncdor.gov/taxes/sales-and-use-taxes/streamlined-taxability-matrices
- URL For State Rates & Boundaries Databases
www.ncdor.gov/taxes/sales-and-use-taxes/sales-tax-boundary-databases

5. Seller Registration

- Each member state, including North Carolina, participates in an online sales and use tax registration system in cooperation with the other member states.
- URL for Streamlined Sales Tax Registration System: www.sstregister.org
- A seller registering under the Agreement shall be registered in each of the member states. A model 2, model 3, or model 4 seller may elect to be registered in one or more states as a seller which anticipates making no sales into such state(s) if it has not had sales into such state(s) for the preceding 12 months. Such election does not relieve the seller of its agreement to collect taxes on all sales into such states or its liability for remitting to the proper states any taxes collected.
- Whenever a state joins the Agreement, sellers registered under the Agreement shall be registered in the new state as follows:
 - Model 1 sellers will be automatically registered in such state.
 - Model 2, model 3, and model 4 sellers will be automatically registered in the new state but may elect to be registered as a seller which anticipates making no sales into the new state.

6. Filing of Simplified Electronic Return (SER)

Overview

- Model 1, 2, and 3 sellers have the option of filing the SER or Form E-500, Sales and Use Tax Return. In order to claim the SST Allowance, SERs must be filed on a monthly basis. Failure to file a SER will result in no SST Allowance.
- Model 4 sellers have the option to file Form E-500, Sales and Use Tax Return, or SER via a person approved by the Department to file an SER. Model 4 sellers are not allowed to claim the SST Allowance.
- North Carolina allows the SER to be filed for SST and non SST Registrations.
- Visit www.ncdor.gov/taxes-forms/sales-and-use-tax/sales-and-use-tax-filing-requirements-payment-options/filing-frequency-and-due-dates for additional information regarding filing frequency and due dates.

Software Acceptance, Testing and Approval

- Testing and Certification Requirements for Sellers, CSPs, and CAS Providers Prior To Filing

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- Sellers that wish to file an SER in lieu of Form E-500, Sales and Use Tax Return, must contact Ed Strickland by phone at (919) 814-1082 or by email at edward.strickland@ncdor.gov to obtain additional information about submitting SERs, payments, and using web services.
 - Model 4 sellers have the option to file Form E-500, Sales and Use Tax Return, or SER via a person approved by the Department to file an SER. Model 4 sellers are not allowed to claim the SST Allowance
 - CSPs and CAS providers that have been approved by the Governing Board must contact Ed Strickland by phone at (919) 814-1082 or by email at edward.strickland@ncdor.gov to obtain additional information about submitting SERs, payments, and using web services. SERs must be used in order to claim the SST Allowance.
 - SERs and payments must meet the SST Technology Standards as outlined on the Governing Board website at www.streamlinedsalestax.org.

Testing Procedures and Acceptance Criteria

- Sellers, CSPs, and CAS Providers must submit test files to the Department to ensure compliance with SST Technology Standards.

Filing of the Simplified Electronic Return (SER)

- URL Of Web Service For Filing Or URL Of Website For Uploading Files And Downloading Acknowledgements
- <https://eservices.dor.nc.gov/sstp/services/EFileServiceSoap>

State Filing Due Dates

- Monthly returns are due on or before the 20th day of each month for all taxes due for the preceding calendar month. The taxes due for monthly filers shall be remitted with the monthly return. See overview for additional information.
- A taxpayer who is consistently liable for at least \$20,000.00 a month in State taxes must make a prepayment of the next month's tax liability. See Section 7 for more information about payment requirements.
- When the date on which a return required to be filed with the Department falls on either a Saturday, Sunday, or legal holiday, the return is due on the next business day. See Section 7 for a list of legal holidays.
- North Carolina does not use composite SER codes. The State tax and local tax are reported separately in the SER. The jurisdiction detail should include a breakdown of the local tax by county using FIPS (Federal Information Processing Standards) codes as found in the Rates and Boundaries Databases.

7. Payment Handling and Acceptance

State Due Dates and Prepayment Requirements

- Monthly returns are due on or before the 20th day of each month for all taxes due for the preceding calendar month. The taxes due for monthly filers shall be remitted with the monthly return.
- A taxpayer who is consistently liable for at least \$20,000.00 a month in State and local sales and use taxes must make a prepayment of the next month's tax liability. The prepayment is due on the date a monthly return is due and must equal at least sixty-five percent (65%) of any of the following:
 - (1) amount of tax due for the current month,
 - (2) the amount of tax due for the same month in the preceding year, or
 - (3) the average monthly amount of tax due in the preceding calendar year.

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- A taxpayer will not be subject to interest or penalties for the underpayment of a prepayment if one of the above three calculation methods is used. In addition, a taxpayer is not required to utilize the same method for calculating the amount of the prepayment each month. Two electronic payment transactions are required, one payment for the current period that can be submitted with the SER and a separate payment for the prepayment for the next period.
 - Model 1 and 2 sellers are required to make payments electronically either by ACH Debit or ACH Credit. Payments must be initiated so that the amount due settles into the Department's bank account on or before the due date of the payment as required by the Department.
 - Taxpayers that wish to pay electronically by ACH Debit may do so by using the SSTP XML Payment Schema when submitting the Streamlined Simplified Electronic Return or separately. Both require the use of web services to submit the XML Schema. Additional information about the Streamlined XML Schemas can be found on the website for the Streamlined Sales Tax Governing Board, Inc. at www.streamlinedsalestax.org by clicking on the SST Technology link.
 - The ACH Credit method is also available but only with the permission of the Department. See State EFT Registration Requirements for more information.
 - If a tax due date falls on a Saturday, Sunday, State observed holiday, or financial institution holiday, the deposit by electronic funds transfer is required on or before the next banking day. Transactions can settle into the Department's bank account if the Federal Reserve and financial institutions are not closed for a State observed holiday. A list of legal holidays is included below:
 - New Year's Day
 - Martin Luther King, Jr. Day
 - President's Day
 - Good Friday
 - Memorial Day
 - Independence Day
 - Labor Day
 - Columbus Day
 - Veteran's Day
 - Thanksgiving
 - Christmas
 - NC does not currently accept bulk payments.

State EFT Registration Requirements

- CSPs and all other sellers that wish to remit by ACH Credit should complete [Form EFT-100C, ACH Credit Payment Method Authorization Agreement](#). The form may be faxed to the Electronic Payments Unit at (919) 733-3149 or mailed to:

**North Carolina Department of Revenue
Electronic Payments Unit
PO Box 25000
Raleigh, NC 27640**

- Upon receipt of the list or [Form EFT-100C](#), an ACH Credit Instructions and Guidelines Booklet and acknowledgement letter will be mailed to applicants.

Form of Same-Day Payment State Accepts

- Should an emergency arise which prevents a payment from being transmitted by the ACH Credit or ACH Debit method, contact the EFT Helpline at 1-877-308-9103 Option 2, 1, then 1 again. **Tax payments by wire transfer require prior authorization by the Department and can only be made on an emergency basis.**

Data Requirements for Seller/CSP Initiated ACH Credit Payments

- Upon receipt of the list or [Form EFT-100C](#), an “ACH Credit Instructions and Guidelines” booklet and acknowledgement letter will be mailed to applicants.

Refund Handling

- Returns filed showing an overpayment will be issued a refund.

8. Information Reports

- North Carolina does not require an Information Report.

9. Acknowledgement System

Simplified Electronic Return (SER) and Registration file Error Numbers and Messages

Error Number	Business Rule	Error Message	Rejection Level
000001	The transmission file is not well formed	Parser reports verbose error	Transmission
000002	The transmission does not validate	One or more documents failed the schema validation	Transmission
000003	File was empty	File was empty (contained 0 bytes)	Transmission
000004	Content Missing	Missing content-type value	Transmission
000005	The FIPS code must be valid to 'receiving state'	The FIPS code must equal '#'	Item
000007	Production/Test code does not match Transmitter profile	The Process Type <value> does not match the transmitter's profile process type <value>	Transmission
000008	The TransmissionHeader count element must equal the total number of SSTP documents in the transmission	The TransmissionHeader count element must equal the total number of SSTP documents in the transmission	Origin
000011	The SSTP ID on a New Registration is already in the database	Duplicate Registration: SSTP ID is already in the database	Item
000012	ETIN of the transmitter at Logon must equal the ETIN in the transmission header	The ETIN provided at system Logon did not match the transmission ETIN provided in the Transmission Header	Transmission

000013	Transmitter not valid for transmission type	Transmitter not valid for transmission type	Transmission
000014	The SSTP ID is not in the database. Taxpayers are required to register using the RegNew process prior to submitting any other file.	SSTP ID is not valid	Item
000015	Duplicate transmission	This is a duplicate transmission	Transmission
000016	Filing Type in header must match schema(s) of document	Filing Type in header does not match schema(s) of document	Item
000017	The AcknowledgementHeader count element must equal the total number of acknowledgements in the transmission	The Acknowledgement Header count element does not equal the total number of acknowledgements in the transmission	Transmission
000020	Payment Amount in Bulk Payment does not equal sum of TXPAmount elements in AddendaRecord for each taxpayer	Total Payment Amount in Bulk Payment does not equal sum of Payment Amount elements in Tax Payment for each taxpayer	Item
000022	Invalid Settlement Date	Data Parse Exception	Item
371001	Required field is missing or the value in a field is invalid	Field not present or invalid <field name>	Item
371002	Tax return with a future period end date cannot be accepted, if the current date less than the period begin date of the return	Returns for future periods cannot be submitted	Item
371004	Streamlined sales tax returns and payments cannot be accepted for periods prior to the date of implementation	Streamlined sales tax returns and payments cannot be accepted for periods prior to (month/year)	Item
371005	The SST ID and the account ID number must be for the same taxpayer in ITAS includes (SSN or FEIN)	SST ID and/or Account ID are incorrect	Item
371007	Taxable Sales must equal Total Sales minus Exemptions/Deductions	Taxable Sales must equal Total Sales minus Exemptions/Deductions	Item
371008	Taxpayer must be registered with a SST ID, model 1/2/3, if model 1 or 2 must have a CSP/CAS ID.	Account does not qualify for the monetary allowance	Item

371009	New prepayments cannot be submitted with North Carolina returns	New prepayments cannot be submitted with North Carolina returns	Item
371010	Jurisdiction detail is required with the return if the sum of State Tax Due for In-State Sales, Sales Originating Out of State, Purchases for Use or Withdrawal from Inventory is NOT EQUAL to Total Tax Due	Jurisdiction detail of tax due is required	Item
371011	North Carolina does not accept Bulk Payment Transactions'	North Carolina does not accept Bulk Payment Transactions	Item
371012	North Carolina does not accept Discounts on the SER return	Discounts are not allowed on North Carolina returns	Item
371013		Total Tax Due is not equal to the sum of the state sales tax due plus the total tax by jurisdiction.	Item
371014		North Carolina Department of Revenue does not accept test returns at this time.	
371015		Allowance greater than Total Tax Due	Item
371018		North Carolina does not process Direct Deposit Refunds for SERs at this time	

Anticipated Timing of Acknowledgements

- Acknowledgements will be available for access within two business days.

10. State Full Sales and Use Filing Program

Options for Sellers/CSPs

- Model 1, 2, and 3 sellers have the option of filing the SER or filing and paying electronically by using our online E-File System, which allows filing of Form E-500 with accompanying schedules, or by Electronic Data Interchange (EDI) Format. Sellers and CSPs that choose to file Form E-500 with the accompanying schedules are not required to file an SER. CSPs and CASs must use SERs in order to claim the SST Allowance.
- Model 4 sellers have the option to file and pay online or a paper Form E-500, Sales and Use Tax Return. Additional information about online filing can be found at: www.ncdor.gov/file-pay/eservices. Model 4 sellers also have the option to file and pay on a SER via a person approved by the Department to file a SER. Model 4 sellers are not allowed to claim the SST Allowance.
- URL For Forms: www.ncdor.gov/taxes/sales-and-use-tax/sales-and-use-tax-forms-and-certificates

11. Appendix

Special Taxing District Codes

99055 Dare County
99063 Durham County Public Transportation Tax
99119 Mecklenburg County Public Transportation Tax
99135 Orange County Public Transportation Tax
99183 Wake County Public Transportation Tax