

SECTION 29 - WHITE GOODS DISPOSAL TAX**29-1 GENERAL PROVISIONS OF THE WHITE GOODS DISPOSAL TAX****A. Tax Imposed**

A “**White Goods Disposal Tax**” of \$3.00 is imposed on each new white good sold by a retailer or purchased outside the State for storage, use or consumption in this State.

B. Administration

The white goods disposal tax is an additional State sales and use tax and, except as provided in the Act, shall be collected and administered in the same manner as the State sales and use tax. The tax is to be shown separately from all other taxes and charges on the invoice given to the customer and separately accounted for in the retailer's records. The white goods disposal tax is not a part of the sales price on which the sales tax is computed.

C. Exemptions

The exemptions from sales and use taxes **do not** apply to the white goods disposal tax except for sales to the U.S. Government and sales in interstate commerce.

D. Definition

The term “**white goods**” includes refrigerators, ranges, water heaters, freezers, unit air conditioners, washing machines, dishwashers, clothes dryers and other similar domestic and commercial large appliances.

E. Lease or Rental

The definitions in the Sales and Use Tax Law apply to the white goods disposal tax except that the term “**sale**” does not include lease or rental. Therefore, firms engaged in the business of leasing or renting white goods to users or consumers are liable for paying the tax on the items at the time of purchase. The tax is not to be collected from a lessee or renter.

F. Use of Tax Proceeds

Each quarter the Secretary of Revenue will distribute the net taxes collected, after deducting the Department's allowance for administrative expenses and refunds as follows: 8% to the Solid Waste Management Trust Fund, 20% to the White Goods Management Account and 72% among the counties on a per capita basis. The Department shall not distribute the tax proceeds to a county when notified not to do so by the Department of Environment and Natural Resources under G.S. 130A-309.87. If a county is not entitled to a distribution, the proceeds allocated to that county will be credited to the White Goods Management Account.

G. Reporting and Payment of the Tax

The white goods disposal tax is to be reported separately to the Department of Revenue on the **White Goods Disposal Tax Return, Form E-500H**. Forms are available from the Department. The return shall be filed according to the instructions in Section 1-4 of the Sales and Use Tax Technical Bulletins.

History Note: Authority G.S. 105-187.20; 105-187.21; 105-187.22;
105-187.23; 105-187.24; 105-264; 130A-290(a);

Issued: June 1, 1996;
Revised: February 1, 2004; June 1, 2002; November 15, 2000;
October 1, 1999; October 15, 1998.

29-2 EXAMPLES OF ITEMS CLASSIFIED AS WHITE GOODS AND APPLIANCES NOT CLASSIFIED AS WHITE GOODS

A. Items Classified As White Goods

The following items are representative examples of additional appliances which are classified as white goods:

1. vending machines (refrigerated, heated, nonrefrigerated and nonheated types - does not include gumball and similar small dispensers);
2. large floor-model oil, gas and wood-fired heaters and fireplace inserts (not small portable space heaters);
3. trash compactors;
4. large floor-model humidifiers and dehumidifiers (not small plastic vaporizers);
5. water treatment equipment (not small faucet-mounted or under-sink filtering devices);
6. dish sanitizers;
7. commercial fry cookers;
8. drinking water coolers;
9. freestanding ice makers;
10. built-in stove surface units;
11. built-in ovens;
12. floor-model popcorn machines;
13. hot food bar used to keep food hot;
14. refrigerated soft ice cream dispensers;
15. commercial refrigeration equipment manufactured and sold as a self-contained unit; and
16. steam tables used to keep food hot.

B. Items Not Classified as White Goods

The following items are representative examples of items which are not classified as white goods:

1. microwave ovens;
2. small portable tabletop appliances;
3. toaster ovens;
4. bread baking machines;
5. food processors;
6. food mixers;
7. food blenders;
8. garbage disposals;
9. gas grills;
10. charcoal grills;
11. vacuum cleaners;
12. range hoods;
13. computer terminals;
14. televisions;
15. radios;
16. record players;
17. video cassette recorders;
18. office equipment, i.e., copiers telefax machines, etc.;
19. central heating systems;

20. chillers;
21. small portable electric, oil and gas space heaters;
22. central air conditioners;
23. electric fans;
24. propane gas tanks;
25. water pumps and tanks; and
26. commercial refrigeration component systems.

History Note: Authority G.S. 105-187.20; 130A-290(a); 105-264; 130A-290(a);
Issued: June 1, 1996.

29-3 REFUNDS OF WHITE GOODS DISPOSAL TAX

A person who buys at least 50 new white goods of any kind in one purchase may obtain a refund of 60% of the amount of the white goods disposal tax paid thereon when all of the white goods are to be placed in new or remodeled dwelling units that are located in this State and do not contain the kind of white goods purchased. The term “**one purchase**” as used herein refers to cases where a purchase order is issued by the purchaser to the retailer, or a written agreement is made between the purchaser and the retailer, providing for the purchase of 50 or more white goods which, according to the terms and conditions set out in the purchase order or agreement, are to be delivered to the purchaser within a definite specified time. For purposes of the refund, delivery of the white goods so ordered within the time specified in the purchase order or agreement will constitute one purchase notwithstanding that multiple deliveries may be necessary to consummate delivery of all of the white goods to the purchaser. In the absence of a written purchase order or written agreement reflecting the foregoing terms and conditions, each individual delivery of white goods constitutes one purchase. Each individual delivery of white goods on purchase orders for indefinite quantities or open-end purchase orders is considered to be one purchase. A change in the original purchase order or agreement for additional white goods will constitute a separate transaction for the purposes described herein.

Claim for Refund of White Goods Disposal Tax, Form E-585H, may be obtained from the Department.

The refund provisions in the Sales and Use Tax Law for tax paid on purchases for use by interstate carriers, certain nonprofit organizations and certain governmental entities **do not** apply to the white goods disposal tax.

History Note: Authority G.S. 105-187.20; 105-187.21; 105-187.22;
105-187.23; 105-264;
Issued: June 1, 1996;
Revised: October 1, 1999.

29-4 WHITE GOODS INSTALLED IN MANUFACTURED HOMES, RECREATIONAL VEHICLES, BOATS, AIRCRAFT AND RAILWAY CARS

The white goods disposal tax does not apply to white goods which are installed in and are a part of the sale of new manufactured homes, recreational vehicles, boats, aircraft and railway cars. Separate retail sales of new white goods which are not included in and do not constitute a part of the sale of a manufactured home, recreational vehicle, boat, aircraft or railway car are subject to the white goods tax.

Persons who have paid white goods tax on appliances which were installed in new manufactured homes, recreational vehicles, boats, aircraft and railway cars at the time such items were sold at retail may receive a refund of the tax. Such persons should request a refund from the vendor to

whom the tax was paid. The vendor, after refunding its customer, can request a refund from this Department. **Form E-585H, Claim for Refund of White Goods Disposal Tax**, may be requested for use in filing a claim for refund with this Department.

History Note: Authority G.S. 105-187.20; 105-187.23; 105-264; 130A-290(a);
Issued: June 1, 1996;
Revised: October 1, 1999.

29-5 DIRECT PAY PERMITS DO NOT APPLY TO PURCHASES OF WHITE GOODS

Form E-595, Direct Pay Permit, does not apply to the white goods disposal tax and does not constitute authority to exempt a transaction from the tax.

History Note: Authority G.S. 105-164.4; 105-164.6; 105-264;
Issued: June 1, 1996;
Revised: November 15, 2000.

29-6 REPAIR PARTS AND COMPONENTS OF WHITE GOODS

Separate retail sales of repair parts or components for white goods are not subject to the white goods disposal tax.

History Note: Authority G.S. 105-164.4; 105-164.6; 105-187.23; 105-264;
Issued: June 1, 1996.