
NOTE

The Department of Revenue reviews information on newly registered boats and determines whether use tax has been properly paid. The Department sends out notices to purchasers if it is determined that use tax has not been paid. If the acquisition of a boat is exempt for one of the reasons set out in the brochure, the notice should be returned to the Department with an explanation as to the reason for the exemption.



Department's Taxpayer Assistance Division at 1-877-252-3052 (toll free) or in writing to the Taxpayer Assistance Division, North Carolina Department of Revenue, Post Office Box 25000, Raleigh, North Carolina 27640.

Form E-555 is available on the Department's website at www.dornc.com or can be obtained by telephone at the toll-free number listed above. Information is also available on the website for taxpayer service center locations and operating hours.



USE TAX

INFORMATION FOR NEWLY REGISTERED BOATS



*NC Department of Revenue
501 N. Wilmington Street
PO Box 871
Raleigh, NC 27602-0871
Phone: 919-733-4433
Fax: 919-733-1821*

USE TAX

INFORMATION FOR NEWLY REGISTERED BOATS

YOU MAY OWE TAX!

Sales of new or used boats are subject to a 3% State sales or use tax with a maximum tax of \$1,500.00 per boat. (Local and sales and use taxes are not imposed on the sale of a boat.) The tax is due on the gross sales price of the boat without any allowance for a trade-in.

Boat trailers are subject to the 3% highway use tax and are not subject to sales or use tax. The highway use tax is due to be paid upon application for a certificate of title with the North Carolina Division of Motor Vehicles.



What If I Buy Through an NC Registered Dealer?

A boat dealer located in North Carolina (or a dealer located in another state that is engaged in business in North Carolina) is liable for collecting the applicable amount of tax from the purchaser and remitting the tax collected to the North Carolina Department of Revenue.



What If My Boat Was Purchased Out-of-State?

If a boat is purchased from a dealer located in another state that is not required to collect North Carolina tax, the purchaser is liable for remitting the applicable amount of use tax due on the purchase of the boat. You will need to pay your tax directly to the NC Department of Revenue. Use Form E-555, Boat and Aircraft Return, which is available on the web or through the Department.

The return and payment of the tax due should be submitted

by the end of the month in which the purchase was made to the North Carolina Department of Revenue, Post Office Box 25000, Raleigh, North Carolina 27640. A check or money order should be made payable to NCDOR (North Carolina Department of Revenue). Payment in cash can only be made at a local taxpayer service center of the Department of Revenue. If sales or use tax was paid to another state on the purchase of the boat, credit is allowed against the North Carolina use tax due.



What If I Purchased From an Individual?

Sales of boats by individuals or other sellers that are not engaged in the business of selling boats constitute occasional or isolated sales and are not subject to sales or use tax. Boats acquired by some means other than a sale, such as a gift or inheritance, are not subject to sales or use tax.