



North Carolina Department of Revenue
Post Office Box 25000
Raleigh, North Carolina 27640-0001

**Affidavit To Exempt Contractors
From the Additional 1% State Sales and Use Tax**

To be used in connection with sales or purchases of building materials for use in the performance of lump sum or unit price contracts entered into or awarded prior to September 1, 2009, or entered into or awarded pursuant to bids made prior to September 1, 2009. This affidavit is to be executed by the contractors to their suppliers of building materials and is valid only when used in connection with the Additional 1% State sales and use tax.

This is to certify that _____, a contractor, entered into a lump sum or unit price contract with _____ on _____ or pursuant to a firm bid made on _____ whereby said contractor agreed to furnish the materials and labor for the erection, alteration, or repair of a building or structure at _____.

This affidavit is submitted to _____, a supplier of building materials, for the completion of such lump sum or unit price contract without charging the Additional 1% State sales or use tax.

It is understood and agreed that the contractor will retain on file the original or duplicate original of said lump sum or unit price contract for a period of not less than three years from the date this affidavit was executed for examination by an authorized agent of the Secretary of Revenue of North Carolina with respect to the sales and use tax liability of the aforesaid building contractor or supplier.

Contractor/Subcontractor

By: _____
Authorized Agent Title Telephone Number Date

Instructions

1. This affidavit must be fully completed in all respects by a general contractor or a subcontractor who has entered into a lump sum or unit price contract, or was awarded such contract pursuant to a bid made prior to September 1, 2009, for the erecting, altering, or repairing of a building or structure. It must be submitted by such contractor to a supplier of building materials as evidence of the holding of such lump sum or unit price contract.
2. The building materials supplier and the contractor should retain the affidavit on file for a period of not less than three years.
3. The contractor must retain on file the original or duplicate original of the lump sum or unit price contract.
4. Purchase orders, invoices, shipping orders, delivery tickets, or any other pertinent records of the supplier and contractor must be subject to examination as evidence of such facts.

Under the provisions of G.S. 105-236(7), any person who willfully attempts, or who aids or abets any person to attempt, in any manner to evade or defeat any tax imposed by law, or the payment of the tax, is guilty of a Class H felony. For each misuse of an exemption certificate, the Secretary must assess against the purchaser a penalty of \$250.