

17 NCAC 05C .1006 SALES FACTOR: SALES TO UNITED STATES GOVERNMENT

(a) For the purposes of G.S. 105-130.4, gross receipts from the sales of tangible personal property to the United States Government are in this state if the property is shipped to or received or accepted by the United States Government in this state. For the purpose of this Rule, only sales for which the United States Government makes direct payment to the seller pursuant to the terms of its contract constitute sales to the United States Government. Thus, sales by a subcontractor to the prime contractor, the party to the contract with the United States Government, do not constitute sales to the United States Government.

(b) When the United States Government is the purchaser of property which remains in the possession of the taxpayer in this state for further processing under another contract, or for other reasons, "shipment" is deemed to be made at the time of acceptance by the United States Government.

*History Note: Authority G.S. 105-130.4; 105-262;
Eff. February 1, 1976;
Amended Eff. January 1, 1994; October 31, 1981;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19, 2017.*