

17 NCAC 05C .1003 SALES MADE IN OTHER TYPE OF BUSINESS ACTIVITY

As applied to a taxpayer engaged in business activity other than the manufacturing and selling or purchasing and reselling of property, "sales" includes the gross receipts as defined in Rule .1001 of this Section (Sales Made In General Business Operations):

- (1) If the business activity consists of providing services; such as the operation of an advertising agency, or the performance of equipment service contracts or research and development contracts, "sales" includes the gross receipts from the performance of such services including fees, commissions, and similar items.
- (2) In the case of cost plus fixed fee contracts, such as the operation of a government-owned plant for a fee, gross receipts includes the entire reimbursed cost, plus the fee.
- (3) If the business activity is the renting of real or tangible personal property, "sales" includes the gross receipts from the rental, lease, or licensing the use of the property.
- (4) If the business activity is the sale, assignment, or licensing of intangible personal property such as patents and copyrights, "sales" includes the gross receipts therefrom.

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