

17 NCAC 07B .3002 REPOSSESSIONS

Retailers shall not deduct from their gross taxable sales the unpaid amounts on repossessed merchandise. However, where a retailer repossesses an article of tangible personal property pursuant to either a limited or full recourse endorsement by such retailer to a financing institution and he resells such tangible personal property to recover the unpaid sales price, such resale is not subject to sales tax provided the sales tax was paid on the gross sales price of the initial sale. Otherwise, the sale of any repossessed article is subject to the applicable statutory state and local sales or use tax. The full gross sales price of any used article taken in trade by the vendor as a credit or part payment of the sales price of such nontaxable repossessed article is subject to the applicable statutory state and local sales or use tax when sold at retail.

*History Note: Authority G.S. 105-164.13; 105-262; Article 39; Article 40; Article 42; Article 43; Article 44; Article 46;
Eff. February 1, 1976;
Amended Eff. May 1, 2009; October 1, 1993; October 1, 1991; May 1, 1990; January 3, 1984;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 25, 2019.*