

**17 NCAC 07B .4413      CONDITIONAL SALES CONTRACT**

(a) A conditional sales contract is an agreement that requires the following:

- (1) The transfer of title under a security agreement or deferred payment plan, upon completion of the required payments; or
- (2) The transfer of title upon completion of required payments and payment of an option price that does not exceed the greater of one hundred dollars (\$100.00) or one percent of the total required payments.

(b) An agreement that meets the requirements of Paragraph (a) of this Rule does not constitute a lease or rental, as defined in G.S. 105-164.3, and is considered a conditional sales contract. Any applicable sales and use tax for a conditional sales contract is due upon delivery of the item, as the term item is defined in G.S. 105-164.3, to the purchaser.

*History Note:      Authority G.S. 105-164.3; 105-164.4; 105-164.6; 105-262; 105-264;*  
*Eff. February 1, 1976;*  
*Amended Eff. August 1, 2009; October 1, 1993;*  
*Readopted Eff. January 1, 2024.*