



NCALB Alert - Sales Tax

North Carolina Licensees:

The NC Auctioneer Licensing Board has been contacted by the NC Department of Revenue Sales and Use Tax Administration regarding Sales Tax collection requirements as they apply to Auctioneers. Part of their message is copied here:

"Important Notice – Auctioneers.

Effective February 1, 2020, an auctioneer that meets the definition of a marketplace facilitator and either of the thresholds described in this notice published by the Sales and Use Tax Division must collect and remit sales and use tax on the sales price of marketplace-facilitated sales pursuant to law changes effective February 1, 2020.

If auctioneers have questions about this notice, they may **call the Department at 1-877-252-3052** (8:00 am until 5:00 pm EST, Monday through Friday). **Ask for Sales Tax Level 3.**

We appreciate your assistance with this matter.

*NC Department of Revenue
Sales and Use Tax Administration"*

An informational directive to licensed North Carolina auctioneers and auction firms will be mailed from NCDOR. You can read the full directive from NCDOR, entitled "IMPORTANT NOTICE: AUCTIONEERS" now at this link posted on the Publications page on NCALB's website:

<http://ncalb.org/pdfs/Important%20Sales%20Tax%20%20Notice%20Auctioneers.pdf>

NCDOR contacted NCALB about sales tax changes in late January, and NCALB's understanding of what was conveyed included the following Key Points:

- IF SALE PROCEEDS ARE COLLECTED BY THE AUCTIONEER/AUCTION FIRM, THEN SALES TAX IS TO BE COLLECTED AND REMITTED TO THE STATE, UNLESS NEITHER OF THE ANNUAL TRANSACTION THRESHOLDS ARE MET.
- THERE IS NO EXEMPTION/EXCEPTION BASED ON WHERE AN AUCTION TAKES PLACE. IT DOES NOT MATTER THAT AN ESTATE SALE AUCTION IS CONDUCTED ON THE PROPERTY OF THE ESTATE.
- IF AN AUCTIONEER IS PROVIDING BID-CALLING SERVICES ONLY, AND NOT COLLECTING OR DISTRIBUTING SALE PROCEEDS, THEN THE SALES TAX/COLLECTION/REMITTANCE REQUIREMENTS DO NOT APPLY TO HIM OR HER.