

**§ 105-164.28A. Other exemption certificates.**

(a) Authorization. – The Secretary may require a person who purchases an item that is exempt from tax to obtain an exemption certificate from the Department to receive the exemption. The Department must issue a use-based exemption number to a person who qualifies for the exemption. A person who no longer qualifies for a use-based exemption number must notify the Secretary within 30 days to cancel the number.

An exemption certificate issued by the purchaser authorizes a retailer to sell an item to the holder of the certificate and not collect tax on the sale. A person who no longer qualifies for an exemption certificate must give notice to each seller that may rely on the exemption certificate on or before the next purchase. A person who purchases an item under an exemption certificate is liable for any tax due on the purchase if the Department determines that the person is not eligible for the exemption certificate or if the person purchased items that do not qualify for an exemption under the exemption certificate. The liability is relieved when the seller obtains the purchaser's name, address, type of business, reason for exemption, and exemption number in lieu of obtaining an exemption certificate.

(b) Scope. – This section does not apply to a direct pay permit or a certificate of exemption. G.S. 105-164.27A addresses a direct pay permit, and G.S. 105-164.28 addresses a certificate of exemption.

(c) Administration. – This section shall be administered in accordance with G.S. 105-164.28. Additionally, the provisions of this section may also apply to a conditional exemption certificate issued to a person in accordance with G.S. 105-164.13E. (2002-184, s. 12; 2009-451, s. 27A.3(s); 2013-414, s. 43(b); 2014-3, s. 3.1(b); 2019-6, s. 5.6.)