

Indirect/Sales/Use:

North Carolina: Private Letter Ruling Addresses if Online Platform is a Marketplace Facilitator

Sales and Use Tax Private Letter Ruling SUPLR 2022-0001, N.C. Dept. of Rev. (2/28/22). The North Carolina Department of Revenue (Department) issued a redacted private letter ruling to a taxpayer that “created a business-to-business (‘B2B’) online platform” enabling select online participants to list their parts inventory on the internet and allowing certain logged in customers to place parts orders through the platform. In it, the Department concluded that based on the provided facts, the taxpayer operated as a “marketplace facilitator” who makes marketplace facilitated sales in North Carolina for sales and use tax purposes. The Department explained that North Carolina provides a two-part definition of a marketplace facilitator that may be satisfied directly or indirectly:

URL: <https://www.ncdor.gov/media/13155/open>

1. The person “[l]ists or otherwise makes available for sale a marketplace seller’s items through a marketplace owned or operated by the marketplace facilitator;” and
2. The person collects the sales or purchase price, processes payments, or makes payment processing available.

Under the presented facts, the Department reasoned that the taxpayer met both parts of the definition. In this case, the taxpayer owns and administers the electronic infrastructure of the platform and provides the necessary support to enable select users to connect to the platform. Furthermore, purchasing customers on the platform have the option to pick up the parts at a physical location in North Carolina, and the taxpayer makes payment processing services available to them in two different ways. Please contact us with any questions.

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