

Heavy Equipment

Effective January 1, 2009, North Carolina General Statutes designated heavy equipment on which a gross receipts tax may be imposed, a special class of property. The classification refers to heavy equipment that is offered at retail for short-term lease or rental and is owned or leased by a person (company) engaged in the business of leasing or renting heavy equipment to the general public.

Durham County has passed the required resolution authorizing the gross receipts tax beginning in 2009. The amount of the tax is 1.2% for the County and .8% for municipalities. The tax is added to the amount charged for the short-term lease or rental, and submitted to the Durham County Tax Collector on a quarterly basis.

What does this special classification mean?

A business having **heavy equipment on which a gross receipts tax may be imposed** does not have to annually report said equipment for business personal property taxation. However, the business may or may not be required to charge a Heavy Equipment Gross Receipts Tax on the rental or lease of said equipment depending on their taxing jurisdiction.

What is considered qualified heavy equipment?

Earthmoving, construction, or industrial equipment that is mobile, weighs at least 1,500 pounds, and meets any of the descriptions listed below. The term includes an attachment for heavy equipment, regardless of the weight of the attachment.

- It is a self-propelled vehicle that is not designed to be driven on a highway
- It is industrial lift equipment, industrial material handling equipment, industrial electrical generation equipment, or a similar piece of industrial equipment.

General Filing Information

Retailers must complete a [Heavy Equipment Tax Application](#) to establish an account number for tax reporting purposes. Once your application is processed and approved, you will be required to submit a [Heavy Equipment Tax Return](#) on a quarterly basis to the Durham County Tax Collector, PO Box 3397, Durham, NC 27702. Instructions for [Heavy Equipment Tax](#).