

WARRANTY SERVICES BULLETIN

**TO: ELEVATE™ AND GENFLEX™ APPLICATORS
ELEVATE AND GENFLEX DISTRIBUTORS
ELEVATE AND GENFLEX SALES REPRESENTATIVES**

SEPTEMBER 2023

RE: NORTH CAROLINA SALES TAX ON HOLCIM WARRANTIES

Holcim Solutions and Products US, LLC (“Holcim”) recently conducted a thorough review of the North Carolina sales tax rules as these rules pertain to warranties issued by Holcim. Based on this review, and starting as of September 9, 2023, Holcim will no longer include sales tax on invoices for warranty fees issued to licensed applicators for projects in the state of North Carolina.

Holcim’s review included an analysis of the applicable North Carolina sales and use tax laws and regulations, consultation with outside state tax counsel, and communications with officials at the North Carolina Department of Revenue. After such review, consultation, and communications, the North Carolina Department of Revenue directly confirmed to Holcim that the initial sale of a Holcim warranty is in fact subject to North Carolina sales tax by reason of being a “service contract” sold at retail, pursuant to North Carolina Statute Sections 105-164.41(a) and 105-164.3(245). However, as outlined in North Carolina Statute Section 105-164.3(247) and based on the facts and circumstances of Holcim and its licensed applicators, the installing contractor is a “facilitator” of the warranty sale for North Carolina sales tax purposes. And under North Carolina Statute Section 105-164.41(a), because the installing contractor is a “facilitator” of the warranty sale, the installing contractor has an independent and direct responsibility to collect North Carolina sales tax from the building owner and remit this tax to the state.

Holcim recommends roofing contractors consult with their tax advisors to determine their next steps to be in compliance with North Carolina sales tax reporting and remittance requirements (including registration with the North Carolina Department of Revenue as required to report and remit sales tax on the sale of the warranties, more information can be found [here](#) regarding the sales and use tax registration process).

Going forward, Holcim will only include sales tax for warranty fees that are billed directly by Holcim to building owners (in this situation, Holcim is considered the “retailer” of the warranties and is required to collect and remit North Carolina sales tax). Holcim will not apply sales tax for warranty fees for projects in North Carolina in any other situation.

Please note this change only applies to invoices issued on or after September 9, 2023. Existing invoices will not be reprocessed, and no credits will be given for tax that has or will be remitted to the state.

If you have any questions or concerns, please contact your independent Elevate or GenFlex Sales Representative.

Sincerely,



Michael Huber
Director, Warranty Services