

# E-589CI Affidavit of Capital Improvement

Form E-589CI, Affidavit of Capital Improvement, may be used to substantiate that a contract, or a portion of work to be performed to fulfill a contract, is to be taxed for sales and use tax purposes, as a real property contract for a capital improvement to real property.

The receipt of an affidavit of capital improvement for services to real property, absent fraud or other egregious activities, establishes that the subcontractor or other person receiving the affidavit should treat the transaction as a real property contract for sales and use tax purposes.

A real property contract is a contract between a real property contractor and another person to perform a capital improvement to real property.

**Section I. Single Use** (Complete this section to issue the affidavit for a single capital improvement.)

<b>A</b> <b>Owner, Lessee/Tenant, or Real Property Contractor</b>  <b>Address</b>  <b>City</b> <b>State</b> <b>Zip Code</b>	<b>B</b> <b>Real Property Contractor</b> (General Contractor or Subcontractor) <small>Hired to perform capital improvement</small>  <b>Address</b>  <b>City</b> <b>State</b> <b>Zip Code</b>
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Describe capital improvement to be performed:

Project Name

Project Address (where the work is to be performed)

City

State

Zip Code

I certify that, to the best of my knowledge, this affidavit is accurate and complete and that the transaction described to be performed by the Real Property Contractor (General Contractor or Subcontractor identified in box "B") shall be treated as a real property contract for a capital improvement to real property for sales and use tax purposes. I understand that if it is determined that I issued this affidavit in error and the transaction is subject to sales tax as a retail sale of repair, maintenance, and installation services to real property, I will be liable for payment of any additional taxes determined to be due.

Signature of Authorized Person: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

**Section II. Blanket Use** (Complete this section to execute a blanket affidavit for capital improvements.)

<b>C</b> <b>Real Property Contractor</b> HIGHLAND CONSTRUCTION <b>Address</b> 1409 CLINTON ROAD <b>City</b> <b>State</b> <b>Zip Code</b> FAYETTEVILLE                      NC    28312	<b>D</b> <b>Real Property Contractor or Subcontractor</b> <small>Hired to perform capital improvement</small>  <b>Address</b>  <b>City</b> <b>State</b> <b>Zip Code</b>
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To be completed by the Real Property Contractor Identified in Box C.

I certify that I am a Real Property Contractor who performs capital improvements to real property and all transactions with the real property contractor (subcontractor) identified in box "D" shall be treated as real property contracts for capital improvements to real property for sales and use tax purposes. I understand that if it is determined that I issued this affidavit in error and the transaction is subject to sales tax as a retail sale of repair, maintenance, and installation services to real property, I will be liable for payment of any additional taxes determined to be due.

Signature of Authorized Person: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_