

1 17 NCAC 07B .1202 is readopted with substantive changes pursuant to G.S. 150B-21.3A(c)(2)g without notice
2 pursuant to G.S. 150B-1(D)(4) as follows:

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4 **17 NCAC 07B .1202 SUPPLIES AND EQUIPMENT FOR AN ACCOMMODATION**

5 ~~Sales to hotels, motels, inns, tourist camps, and tourist cabins and other places in which rooms, lodgings or~~
6 ~~accommodations are furnished for a consideration,~~ **[A] For purposes of G.S. 105-164.13, a hotel, motel, inn, tourist**
7 **camp, tourist cabin, or other accommodation provider making purchases of any supplies, equipment, or fixtures**
8 **including linens, but not limited to beds, bedding, bathroom supplies, cleaning supplies, and furniture are**
9 **subject to are purchased for use and not resale, and the accommodation provider shall pay the applicable statutory**
10 **state general State, and applicable local and transit rates of sales or use tax on the supplies, equipment, or**
11 **fixtures at the time of purchase, pursuant to G.S. 105-164.4.**

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13 *History Note: Authority G.S. 105-164.3; 105-164.4; 105-164.6; 105-164.13; 105-262; 105-264; [Chapter 105,*
14 *Articles 39, 40, 42, 43, and 46;] Article 39; Article 40; Article 42; Article 43; 105-467; 105-468;*
15 *105-469; 105-483; 105-498; 105-507.2; 105-509.1; 105-510.1; 105-511.3; 105-537; 105-538;*
16 *Article 44; Article 46;*
17 *Eff. February 1, 1976;*
18 *Amended Eff. May 1, 2009; October 1, 1993; October 1, 1991-1991;*
19 *Readopted Eff. January 1, 2024.*

1 17 NCAC 07B .1303 is readopted with substantive changes pursuant to G.S. 150B-21.3A(c)(2)g without notice
2 pursuant to G.S. 150B-1(D)(4) as follows:

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4 **17 NCAC 07B .1303 ~~DELIVERIES-GIFTS TO DONEES~~**

5 (a) ~~A donee is a person to whom the buyer of tangible personal property gives the property that receives an item, as~~
6 ~~the term item is defined in G.S. 105-164.3, from a purchaser without charge. ~~Retailers~~ Pursuant to G.S. 105-164.4,~~
7 ~~retailers making sales of items sourced to this State shall collect and remit the ~~applicable rates of~~ sales and use tax~~
8 ~~due on the sales price of the item, even if the item is given away by the purchaser to a donee or delivered directly to a~~
9 ~~donee.~~

10 (b) ~~[The] Pursuant to G.S. 105-164.6, the purchaser of items used or consumed in this State is liable for ~~the applicable~~~~
11 ~~rates of] use tax due on the purchase price of the items, even if the items are given away by the purchaser to a donee~~
12 ~~or delivered directly to a donee, unless the sales tax is paid to the retailer at the time of purchase. When a North~~
13 ~~Carolina retailer sells tangible personal property to a buyer and the retailer, at the direction of the buyer, delivers the~~
14 ~~property to the buyer's donee instead of to the buyer, the sale by the retailer is subject to applicable statutory State and~~
15 ~~local sales tax only if the delivery to the donee is made inside the State. If the delivery to the donee is made outside~~
16 ~~the State, no State or local sales or use tax applies.~~

17 (c) ~~A retailer who, at the direction of a buyer, delivers property to the buyer's purchaser's donee at a point outside the~~
18 ~~State must have shall maintain acceptable proof of delivery in accordance with 17 NCAC 07B .1301.~~

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20 *History Note: Authority G.S. 105-164.3; 105-164.4; 105-164.4B; 105-164.6; 105-262; 105-264; ~~[Chapter 105,~~*
21 *~~Articles 39, 40, 42, 43, and 46;] Article 39; Article 40; Article 42; Article 43; Article 44;~~*
22 *Eff. February 1, 1976; 105-467; 105-468; 105-469; 105-483; 105-498; 105-507.2; 105-509.1; 105-*
23 *~~510.1; 105-511.3; 105-537; 105-538;~~*
24 *Amended Eff. April 1, 2006; July 18, 2002; July 1, 1999; October 1, 1993; October 1, 1991; March*
25 *1, 1984; January 3, ~~1984, 1984;~~*
26 *Readopted Eff. January 1, 2024.*

1 17 NCAC 07B .1404 is readopted with substantive changes pursuant to G.S. 150B-21.3A(c)(2)g without notice
2 pursuant to G.S. 150B-1(D)(4) as follows:

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4 **17 NCAC 07B .1404 ~~MEDICAL SUPPLIES~~ SUPPLIES, INSTRUMENTS, AND EQUIPMENT**

5 Sales Pursuant to G.S. 105-164.4, sales to physicians, dentists, hospitals, or other ~~users or~~ consumers of medical
6 supplies, ~~instruments~~ medical instruments, medical equipment, and laboratory equipment used to diagnose, prevent,
7 treat, or cure disease are subject to applicable state ~~[the general State,] and [applicable] local [and transit rates of]~~ sales
8 or ~~and~~ use tax. ~~[tax, unless exempt by statute.] tax. For purposes of G.S. 105-164.13, these items are not purchased for~~
9 resale or pursuant to a prescription. Sales of medical equipment and medical supplies are also subject to applicable
10 state and local sales or use tax, unless their sale is exempt under G.S. 105-164.13(12)d. That statute exempts from tax
11 durable medical equipment and related medical supplies that are covered under the Medicare or Medicaid program
12 and are sold on either a certificate of medical necessity or a written prescription. Items listed below are subject to tax,
13 unless their sale is exempt under G.S. 105-164.13(12)d. Items not included in the list may also be Examples of medical
14 supplies, instruments, and equipment subject to ~~tax;~~ sales and use tax include the following:

- 15 (1) ~~Adhesive adhesive~~ tape;
- 16 (2) ~~Alcohol; alcohol;~~
- 17 (3) ~~Bandages; bandages;~~
- 18 (4) ~~Battery battery~~ chargers;
- 19 (5) ~~Bed bed~~ pans;
- 20 (6) ~~Betadine betadine~~ solution;
- 21 (7) ~~Blood blood~~ glucose monitors;
- 22 (8) ~~Blood blood~~ glucose test/reagent strips;
- 23 (9) ~~Blood blood~~ or urine control strips;
- 24 ~~(10) — breast pumps;~~
- 25 ~~(10)[(11)](10) Breathing breathing~~ circuits;
- 26 ~~(11)[(12)](11) CO2 carbon dioxide (CO2) saturation~~ monitors and accessories;
- 27 ~~(13)(12) cold packs and hot packs;~~
- 28 ~~(14)(13) collection bags;~~
- 29 ~~(12)[(15)](14) Cotton; cotton;~~
- 30 ~~(13)[(16)](15) Crutch crutch~~ and cane holders;
- 31 ~~(14)[(17)](16) Cylinder cylinder~~ tank carriers;
- 32 ~~(18)(17) denture adhesive;~~
- 33 ~~(15)[(19)](18) Dial a ~~does~~ insulin delivery devices;~~
- 34 ~~(16)[(20)](19) Dressings; dressings;~~
- 35 ~~(17)[(21)](20) Exam exam~~ and surgical gloves;
- 36 ~~(18)[(22)](21) Gauze; gauze;~~
- 37 ~~(23)(22) glucose for insulin reactions;~~

1 (24)(23) incontinence pads, sheets, and liners;
2 (19) — Knives;
3 (20)(25)(24) I.V.intravenous (IV) hangers;
4 (21) — I.V. poles;
5 (26)(25) knives;
6 (22)(27)(26) Lancets;lancets;
7 (28)(27) lubricants;
8 (23)(29)(28) Microscopes;microscopes;
9 (24)(30)(29) Mouthpieces;mouthpieces;
10 (25)(31)(30) Needles;needles and syringes;
11 (32)(31) non-corrective eye lenses;
12 (33)(32) ostomy barrier wipes and powders;
13 (34)(33) ostomy cleansers, deodorants, and adhesive removers;
14 (26)(35)(34) Peak-peak flow meters;
15 (27)(36)(35) Percussors;percussors;
16 (28)(37)(36) Pulse-pulse oximeters;
17 (29)(38)(37) Rollabout rollabout chairs;
18 (39)(38) soap;
19 (30)(40)(39) Seissors;scissors;
20 (31)(41)(40) Sterile-sterile water;
21 (32) — Surgical gloves;
22 (33) — Syringes;
23 (42)(41) tissues;
24 (34)(43)(42) Tracheal-tracheal suction catheters;
25 (35)(44)(43) Tracheostomy-tracheostomy care kits;
26 (36)(45)(44) Tracheostomy-tracheostomy cleaning brushes;
27 (37)(46)(45) Tracheostomy-tracheostomy masks and collars;
28 (38)(47)(46) Tubing;tubing, sold by the linear foot or otherwise;
29 (39)(48)(47) Urinals;urinals;
30 (40)(49)(48) Urine-urine test or reagent strips or ~~tablets; and~~tablets; or
31 (41)(50)(49) X-rayx-ray machines.

32
33 *History Note: Authority G.S. 105-164.4; 105-164.6; 105.164.13; 105-262; 105-264; [~~Chapter 105, Articles 39,~~*
34 *~~40, 42, 43, and 46;~~ 105-467; 105-468; 105-469; 105-483; 105-498; 105-507.2; 105-509.1; 105-*
35 *~~510.1; 105-511.3; 105-537; 105-538;~~*

36 *Eff. February 1, 1976;*

37 *Amended Eff. July 1, 2000; August 1, 1998; October 1, 1993; October 1, 1991-1991;*

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Readopted Eff. January 1, 2024.

1 17 NCAC 07B .1601 is readopted with substantive changes pursuant to G.S. 150B-21.3A(c)(2)g without notice
2 pursuant to G.S. 150B-1(D)(4) as follows:

3
4 **SECTION .1600 – SALES TO OR PURCHASES BY HOSPITALS; EDUCATIONAL; CHARITABLE OR**
5 **RELIGIOUS INSTITUTIONS; ETCNONPROFIT ENTITIES; SALES BY NONPROFIT ENTITIES; AND**
6 **REFUNDS THERETOTO NONPROFIT ENTITIES**

7
8 **17 NCAC 07B .1601 SALES TO OR PURCHASES BY NONPROFIT ENTITIES**

9 (a) For purposes of this Rule, a nonprofit entity is an organization that is exempt from taxation under Section 501(c)(3)
10 of the Internal Revenue Code and includes entities such as hospitals not operated for profit, educational institutions
11 not operated for profit, churches, and civic groups such as chambers of commerce, fraternities, sororities, clubs, lodges,
12 parent and teacher associations, scout councils, and similar organizations.

13 ~~(a)(b) Sales to nonprofits. -- Sales To Nonprofits —~~ Nonprofit entities are not exempt from paying sales and use tax.
14 Sales ~~[Retail]~~ Pursuant to G.S. 105-164.4, retail sales of taxable tangible personal property items, as the term item is
15 defined in G.S. 105-164.3, to a nonprofit entity for use or consumption by that entity are subject to ~~the applicable~~
16 rates of]sales or and use tax tax, unless acquired by the nonprofit entity for the purpose of resale. A retailer is liable
17 for collecting and remitting sales and use tax on a sale to a nonprofit entity, unless the nonprofit provides the retailer
18 a Certificate of Exemption in accordance with 17 NCAC 07B .0106. Nonprofit entities include hospitals not operated
19 for profit, educational institutions not operated for profit, churches, and civic groups such as chambers of commerce,
20 fraternities, sororities, and scout clubs. Sales of building materials, supplies, fixtures, and equipment to contractors
21 for use in the performance of contracts with a nonprofit entity are also subject to sales or use tax.

22 (c) Purchases by nonprofits:

23 (1) Purchases for Use or Consumption. -- Nonprofit entities are not exempt from paying sales and use
24 tax. Purchases of taxable items by nonprofit entities for use or consumption are subject to ~~the~~
25 applicable rates of]sales and use ~~tax.]tax, pursuant to G.S. 105-164.4. Any nonprofit entity making~~
26 taxable purchases from a seller that does not collect North Carolina sales and use tax is required to
27 register with the Department and file returns in accordance with 17 NCAC 07B .0104, and pay the
28 use tax due on such ~~[purchases.]purchases, pursuant to G.S. 105-164.6. A nonprofit entity must pay~~
29 sales tax charged on its purchases and is liable for use tax on its purchases when no sales tax is
30 collected. A nonprofit entity that owes use tax must file a return in accordance with 17 NCAC 7B
31 .0104.

32 (2) Purchases for Resale. -- Nonprofit entities that make purchases of items for the purpose of resale
33 may purchase such items exempt from sales and use ~~tax.]tax, pursuant to G.S. 105-164.13(61b),~~
34 when purchased in accordance with 17 NCAC 07B .0106.

35 (c) Real property contracts with nonprofits:

1 ~~(1) [Retail] Pursuant to G.S. 105-14.4H, retail sales of building materials, supplies, fixtures, and~~
2 ~~equipment to contractors or other persons for use in the performance of real property contracts with~~
3 ~~a nonprofit entity are subject to sales and use tax.~~

4 ~~(2) [Purchases] Pursuant to G.S. 105-164.4H, purchases of building materials, supplies, fixtures, and~~
5 ~~equipment by real property contractors or other persons for use in the performance of real property~~
6 ~~contracts with a nonprofit entity are subject to sale and use tax.~~

7 ~~(b) Sales By Nonprofits.— Sales by nonprofit entities are subject to sales or use tax unless a specific~~
8 ~~exemption applies to the sale. A nonprofit entity that makes taxable retail sales must register with the~~
9 ~~Department and file sales and use tax returns. A nonprofit entity that is registered with the Department may~~
10 ~~execute a Streamlined Sales Tax Agreement Certificate of Exemption, form E-595E. The certificate shall~~
11 ~~not be used for items the nonprofit entity intends to use or consume.~~

12
13 *History Note:* Authority *G.S. 105-164.3; 105-164.4; 105-164.4H; 105-164.6; 105-164.13; 105-164.28; 105-*
14 *164.29; 105-262; 105-264; [Chapter 105, Articles 39, 40, 42, 43, and 46;] Article 39; Article 40;*
15 *Article 42; Article 43; Article 44; 105-467; 105-468; 105-469; 105-483; 105-498; 105-507.2; 105-*
16 *509.1; 105-510.1; 105-511.3; 105-537; 105-538;*
17 *Eff. February 1, 1976;*
18 *Amended Eff. April 1, 2006; July 1, 2000; October 1, 1993; October 1, 1991; January 1, 1982; July*
19 *5, 1980, 1980;*
20 *Readopted Eff. January 1, 2024.*

1 17 NCAC 07B .1605 is readopted with substantive changes pursuant to G.S. 150B-21.3A(c)(2)g without notice
2 pursuant to G.S. 150B-1(D)(4) as follows:

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4 **17 NCAC 07B .1605 ~~CLUBS; ASSOCIATIONS; ETC.~~ SALES BY NONPROFIT ENTITIES**

5 ~~Clubs, lodges, parents and teachers associations, scout councils and similar organizations which~~ Nonprofit entities as
6 ~~defined in 17 NCAC 07B .1601(a) that make regular retail sales of taxable tangible personal property must~~ shall
7 register with the ~~Department of Revenue and pay the~~ Department and file sales and use tax returns in accordance with
8 17 NCAC 07B .0104, and collect and remit [the applicable.] sales and use tax on such sales except as provided by G.S.
9 105-164.13(34) and G.S. 105-164.13(35) due, unless specifically exempt by statute pursuant to G.S. 105-164.4.

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11 *History Note:* Authority G.S. 105-164.4; 105-164.8; 105-164.16; 105-164.29; 105-262; 105-264; [Chapter 105,
12 Articles 39, 40, 42, 43, and 46;] 105-467; 105-468; 105-469; 105-483; 105-498; 105-507.2; 105-
13 509.1; 105-510.1; 105-511.3; 105-537; 105-538;
14 *Eff. February 1, 1976;*
15 *Amended Eff. January 1, 1982; July 5, 1980-1980;*
16 *Readopted Eff. January 1, 2024.*

1 17 NCAC 07B .1705 is readopted with substantive changes pursuant to G.S. 150B-21.3A(c)(2)g without notice
2 pursuant to G.S. 150B-1(D)(4) as follows:

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4 **17 NCAC 07B .1705 HOUSING AUTHORITIES**

5 Sales of ~~taxable tangible personal property~~ items, as the term item is defined in G.S. 105-164.3, to housing authorities
6 created and existing under Chapter 157 of the North Carolina General Statutes for use in carrying on their activities
7 are subject to the **applicable** statutory ~~state and local sales or use tax~~ rates of sales and use tax **pursuant to G.S. 105-**
8 **164.4, and such housing authorities are not entitled to refunds under the provisions of G.S. 105-164.14.**

9

10 *History Note:* Authority G.S. 105-164.3; 105-164.4; 105-164.6; 105-262; 105-264; [Chapter 105, Articles 39, 40,
11 42, 43, and 46;] Article 39; Article 40; Article 42; Article 43; Article 44; Article 46; 105-467; 105-
12 468; 105-469; 105-483; 105-498; 105-507.2; 105-509.1; 105-510.1; 105-511.3; 105-537; 105-538;
13 Eff. February 1, 1976;
14 Amended Eff. May 1, 2009; October 1, 1993; October 1, 1991; August 1, 1988; March 1, 1984.1984;
15 Readopted Eff. January 1, 2024.

1 17 NCAC 07B .2001 is readopted with substantive changes pursuant to G.S. 150B-21.3A(c)(2)g without notice
2 pursuant to G.S. 150B-1(D)(4) as follows:

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4 **SECTION .2000 - SALES AND GIFTS BY EMPLOYERS TO EMPLOYEES ~~OR OTHER USERS~~**

5
6 **17 NCAC 07B .2001 SALES TO EMPLOYEES**

7 ~~Sales of tangible personal property by any employer, manufacturer, processor, wholesaler, distributor or jobber to his~~
8 ~~employees or others for use or consumption are subject to the applicable statutory state and local sales or use tax,~~
9 ~~unless specifically exempt, notwithstanding that such sales are infrequent or comprise only a small fraction of the~~
10 ~~vendor's total business, and every employer, manufacturer, processor, wholesaler, distributor or jobber making such~~
11 ~~sales must register with the department and collect and remit the tax due thereon. The fact that any such vendor only~~
12 ~~makes sales to his employees shall not relieve him of this requirement.~~

13 (a) Pursuant to G.S. 105-164.4, an employer engaged in business in this State shall collect and remit the sales and
14 use tax due on the retail sale of an item, as the term item is defined in G.S. 105-164.3, to an employee. The tax due
15 shall be computed [at the applicable State, local, and transit rates of tax] on the sales price of the item. An employer
16 required to collect sales or use tax shall register with the Department in accordance with 17 NCAC 07B .0104. The
17 fact that an employer's sales are infrequent, comprise only a small fraction of the total business, or are to employees
18 only, shall not relieve an employer of these requirements.

19 (b) Employees shall pay the sales or use tax due on the purchase of an item from their [employer, employer, pursuant
20 to G.S. 105-164.4 and G.S. 105-164.6. The tax due shall be computed [at the applicable State, local, and transit rates
21 of tax] on the sales price or purchase price of the item.

22
23 *History Note: Authority G.S. 105-164.3; 105-164.4; 105-164.6; 105-164.19; 105-262; 105-264; [Chapter 105,*
24 *Articles 39, 40, 42, 43, and 46;] Article 39; Article 40; Article 42; Article 43; Article 44; 105-467;*
25 *105-468; 105-469; 105-483; 105-498; 105-507.2; 105-509.1; 105-510.1; 105-511.3; 105-537; 105-*
26 *538;*

27 *Eff. February 1, 1976;*

28 *Amended Eff. April 1, 2006; October 1, 1993; October 1, ~~1991~~, 1991;*

29 *Readopted Eff. January 1, 2024.*

1 17 NCAC 07B .2002 is readopted with substantive changes pursuant to G.S. 150B-21.3A(c)(2)g without notice
2 pursuant to G.S. 150B-1(D)(4) as follows:

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4 **17 NCAC 07B .2002 GIFTS AND WAGES TO EMPLOYEESAN EMPLOYEE OR OTHER PERSON**

5 Gifts of tangible personal property by any employer, manufacturer, processor, wholesaler, distributor or jobber to his
6 employees or other persons are subject to the applicable statutory state and local sales or use tax, unless the donor paid
7 sales or use tax on the sales or purchase price of the donated property at the time he acquired the same. The tax due
8 by reason of any such gift shall be paid by the donor and shall be computed on the donor's cost price of the property
9 donated, irrespective of whether fabricated, produced, manufactured or processed by the donor, or acquired elsewhere.
10 [An] Pursuant to G.S. 105-164.4, an employer shall pay the sales or use tax due on the purchase of an item, as the term
11 item is defined in G.S. 105-164.3, that is provided to an employee or other person as a gift or as compensation. The
12 tax due shall be computed [at the applicable State, local, and transit rates of sales and use tax] on the sales price or
13 purchase price of the item given away, irrespective of whether the item is fabricated, produced, manufactured, or
14 processed by the employer, or acquired elsewhere.

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16 *History Note:* Authority G.S. 105-164.3; 105-164.4; 105-164.4B; 105-164.6; 105-262; 105-264; [Chapter 105,
17 Articles 39, 40, 42, 43, and 46;] Article 39; Article 40; Article 42; Article 43; Article 44; 105-467;
18 105-468; 105-469; 105-483; 105-498; 105-507.2; 105-509.1; 105-510.1; 105-511.3; 105-537; 105-
19 538;
20 Eff. February 1, 1976;
21 Amended Eff. April 1, 2006; October 1, 1993; October 1, ~~1991~~ 1991;
22 Readopted Eff. January 1, 2024.

1 17 NCAC 07B .2204 is readopted with substantive changes pursuant to G.S. 150B-21.3A(c)(2)g without notice
2 pursuant to G.S. 150B-1(D)(4) as follows:

3
4 **17 NCAC 07B .2204 ~~MEALS SALES OF FOOD ON TRAINS; PLANES;~~ **TRAINS, PLANES, ETC.****

5 Sales ~~[Retail]~~ Pursuant to G.S. 105-164.4 and G.S. 105-164.4B, retail sales of food and prepared foods ~~food or meals~~
6 by railroads, ~~Pullman cars, steamships, airlinesships, airlines,~~ or other transportation company ~~diners, companies~~ while
7 within this ~~state, State,~~ are subject to ~~the applicable statutory state and local~~ ~~rates of~~ sales ~~or and~~ use tax.

8
9 *History Note:* Authority G.S. 105-164.4; ~~105-164.4B;~~ 105-262; 105-264; ~~Article 39; Article 40; Article 42; Article~~
10 ~~43; Article 44; Article 46;~~ ~~[Chapter 105, Articles 39, 40, 42, 43, and 46;]~~ 105-467; 105-468; 105-
11 ~~469; 105-483; 105-498; 105-507.2; 105-509.1; 105-510.1; 105-511.3; 105-537; 105-538;~~
12 ~~Eff. February 1, 1976;~~
13 ~~Amended Eff. May 1, 2009; October 1, 1993; October 1, 1991-1991;~~
14 Readopted Eff. January 1, 2024.

1 17 NCAC 07B .4109 is readopted with substantive changes pursuant to G.S. 150B-21.3A(c)(2)g without notice
2 pursuant to G.S. 150B-1(D)(4) as follows:

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4 **17 NCAC 07B .4109 BLUEPRINTS SOLD TO ARCHITECTS**

5 SalesFor purposes of G.S. 105-164.13, sales of blueprints, photographs and other tangible personal property items, as
6 the term item is defined in G.S. 105-164.3, to an architectural or engineering firm for use or consumption and are sales
7 for use or consumption and not for resalesale, and are subject to the [general State, and]applicable statutory state
8 and local [and transit rates of]sales or and use tax-tax, pursuant to G.S. 105-164.4.

9

10 *History Note:* Authority G.S. 105-164.4; 105-164.6; 105-164.13; 105-262; 105-264; ~~Article 39; Article 40; Article~~
11 ~~42; Article 43; Article 44;~~ [Chapter 105, Articles 39, 40, 42, 43, and 46;] 105-467; 105-468; 105-
12 469; 105-483; 105-498; 105-507.2; 105-509.1; 105-510.1; 105-511.3; 105-537; 105-538;

13 *Eff. February 1, 1976;*

14 *Amended Eff. September 1, 2006; October 1, 1993; October 1, ~~1991~~.1991;*

15 *Readopted Eff. January 1, 2024.*