

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:

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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.~~

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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.*
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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 .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:

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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.

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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 .3101 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 .3100 - RADIO AND TELEVISION STATIONS: ~~MOTION PICTURE~~ **MOVIE** ~~THEATRES~~**

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6 **17 NCAC 07B .3101 ~~RADIO AND TELEVISION: ETC.~~ **RADIO, TELEVISION, MOVIE****
7 **~~THEATRES~~ **RADIO AND TELEVISION RECEIPTS****

8 ~~[(a)]~~ Receipts of radio and television companies ~~for derived from~~ the broadcasting or telecasting of programs are not
9 subject to sales or use ~~tax-tax~~, unless the receipts are derived from certain digital property, video programming, or
10 satellite digital audio radio service.

11 ~~[(b)]~~ Receipts ~~[The gross receipts]~~ of motion picture ~~[movie]~~ theatres derived from admission charges are not subject
12 to ~~[the general State, and applicable local and transit rates of]~~ sales or ~~[and]~~ use tax.

13 ~~[(c)]~~ Motion picture theatres making taxable sales of tangible ~~[Tangible]~~ personal property ~~[property, including food,~~
14 ~~prepared food, and beverages, sold by movie theatres]~~ through concession stands or otherwise must register with the
15 department and must collect and remit the applicable statutory state ~~[are subject to the general State,]~~ and ~~[applicable]~~
16 local ~~[and transit rates of]~~ sales or ~~[and]~~ use tax on such sales. ~~[tax.]~~

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18 *History Note:* Authority G.S. 105-164.3; 105-164.4; ~~[105-164.4G;]~~ 105-262; 105-264; ~~[Chapter 105, Articles 39,~~
19 ~~40, 42, 43, and 46;]~~ Article 39; Article 40; Article 42; Article 43; Article 44; Article 46; ~~105-467;~~
20 ~~105-468; 105-469; 105-483; 105-498; 105-507.2; 105-509.1; 105-510.1; 105-511.3; 105-537; 105-~~
21 ~~538;~~

22 *Eff. February 1, 1976;*

23 *Amended Eff. May 1, 2009; October 1, 1993; October 1, ~~1991-1991;~~*

24 *Readopted Eff. January 1, 2024.*