CHAPTER 105

ARTICLE 5 - SALES AND USE TAX

N.C.G.S. § 105-164.12B.

Tangible personal property sold below cost with conditional contract.

SOURCE	LAST AMENDMENT IN THIS TEXT	RETRIEVED	SOURCE FINGERPRINT
General Statutes of North Carolina, as published by the General Assembly	S.L. 2016-5, s. 3.8(a) — fifth act in the lineage	21 September 2026, 05:13 UTC	2574cd94ac0ee1b259842dc6 - 0f8a12912779c65cd46dca4d - 32395db86af480ae

§ 105-164.12B(a) Conditional Contract Defined. - A conditional contract is a contract in which all of the following conditions are met:

(1) A seller transfers an item of tangible personal property to a consumer on the condition that the consumer enter into an agreement to purchase services on an ongoing basis for a minimum period of at least six months.

(2) The agreement requires the consumer to pay a cancellation fee to the seller if the consumer cancels the contract for services within the minimum period.

(3) For the item transferred, the seller charges the consumer a price that, after any price reduction the seller gives the consumer, is below the purchase price the seller paid for the item. The seller's purchase price is presumed to be no greater than the price the seller paid, as shown on the seller's purchase invoice, for the same item within 12 months before the seller entered into the conditional contract.

§ 105-164.12B(b) Tax. - If a seller transfers an item of tangible personal property as part of a conditional contract, a sale has occurred. The sales price of the item is presumed to be the retail price at which the item would sell in the absence of the conditional contract. Sales tax at the general rate under G.S. 105-164.4(a) is due at the time of the transfer on the following:

(1) Any part of the presumed sales price the consumer pays at that time, if the service in the contract is taxable at the combined general rate.

(2) The presumed sales price, if the service in the contract is not taxable at the combined general rate.

(3) The percentage of the presumed sales price that is equal to the percentage of the service in the contract that is not taxable at the combined general rate, if any part of the service in the contract is not taxable at the combined general rate.

§ 105-164.12B(c) -(f). Repealed by Session Laws 2007-244, s. 3, effective October 1, 2007.

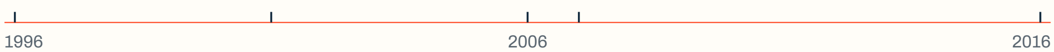
END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I
5 ACTS

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.



TICK HEIGHT = ACTS IN THAT YEAR DASHED = RECODIFICATION, NOT AMENDMENT

№	YEAR	ACT	CHARACTER
01	1996	2nd Ex. Sess., c. 13, s. 5.1	ENACTED
02	2001	S.L. 2001-414, ss. 16, 17	AMENDED
03	2006	S.L. 2006-151, s. 6	AMENDED
04	2007	S.L. 2007-244, s. 3	AMENDED
05	2016	S.L. 2016-5, s. 3.8(a)	AMENDED

APPARATUS II
1 AUTHORITY

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 105-164.4(a)	(b)	*"tax at the general rate under"*

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 105-164.12B (2016).

PINPOINT

N.C. Gen. Stat. § 105-164.12B(a) (2016).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

Provenance

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HISTORY PARENTHETICAL, AS PRINTED BY THE STATE

(1996, 2nd Ex. Sess., c. 13, s. 5.1; 2001-414, ss. 16, 17; 2006-151, s. 6; 2007-244, s. 3; 2016-5, s. 3.8(a).)

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