



CHAPTER 105
ARTICLE 5 - SALES AND USE TAX

N.C.G.S. § 105-164.20.

Cash or accrual basis of reporting.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT S.L. 2015-6, s. 2.14(b) — sixth act in the lineage	RETRIEVED 21 September 2026, 03:11 UTC	SOURCE FINGERPRINT 13fb22fb11a6c25e7bdfea19 - 654a727d2a864551c7c7cc92 - 4662803c3aa52862
--	---	---	--

§ 105-164.20(a) Basis Selected. - Except as provided in subsection (b) of this section, a retailer may report sales on either the cash or accrual basis of accounting upon making application to the Secretary for permission to use the basis selected. Permission granted by the Secretary to report on a selected basis continues in effect until revoked by the Secretary or the taxpayer receives permission from the Secretary to change the basis selected.

§ 105-164.20(b) Accrual Basis. - For purposes of reporting and remitting sales tax under this Article, a retailer listed in this subsection must report the gross receipts it derives from the taxable transaction listed in this subsection on an accrual basis of accounting. The following retailers must report gross receipts as provided in this subsection:

- (1) A retailer who sells electricity, piped natural gas, or telecommunications service. A sale of electricity, piped natural gas, or telecommunications service is considered to accrue when the retailer bills its customer for the sale.
- (2) A retailer who derives gross receipts from a prepaid meal plan, notwithstanding that the retailer may report tax on the cash basis for other sales at retail and notwithstanding that the revenue has not been recognized for accounting purposes.
- (3) A retailer who sells or derives gross receipts from a service contract, as provided in G.S. 105-164.41(d).

6 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.



Nº	YEAR	ACT	CHARACTER
01	1957	c. 1340, s. 5	ENACTED
02	1973	c. 476, s. 193	AMENDED
03	1973	1983 (Reg. Sess., 1984), c. 1097, s. 15	AMENDED
04	1998	S.L. 1998-22, s. 7	AMENDED
05	2001	S.L. 2001-430, s. 8	AMENDED
06	2015	S.L. 2015-6, s. 2.14(b)	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. 105-164.4I(d)	(b)(3)	"a service contract, as provided in"

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 105-164.20 (2015).

PINPOINT

N.C. Gen. Stat. § 105-164.20(a) (2015).

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

This document reproduces the text of one section of the General Statutes of North Carolina from a source file whose SHA-256 digest is printed on every page. The digest fixes the bytes this export was made from; if the State's file changes, the digest will not match.

The text of the section is unaltered. Subsection designators have been moved from the run of text into the margin. The amendment history and the table of authorities are derived from the section by mechanical extraction — they add no characterization of the law.

This is not the official text. The official text is published by the General Assembly of North Carolina.

HISTORY PARENTHETICAL, AS PRINTED BY THE STATE

(1957, c. 1340, s. 5; 1973, c. 476, s. 193; 1983 (Reg. Sess., 1984), c. 1097, s. 15; 1998-22, s. 7; 2001-430, s. 8; 2015-6, s. 2.14(b).)

SET IN SPECTRAL AND ARCHIVO
NORTH CAROLINA LAW — STATUTE EXPORT, FORMAT V1

