



CHAPTER 105

ARTICLE 5 - SALES AND USE TAX

N.C.G.S. § 105-164.4.

Tax imposed on retailers and certain facilitators.

SOURCE	LAST AMENDMENT IN THIS TEXT	RETRIEVED	SOURCE FINGERPRINT
General Statutes of North Carolina, as published by the General Assembly	S.L. 2020-58, s. 3.4 — eighty-ninth act in the lineage	21 September 2026, 07:06 UTC	cd70f0c185d7861401fac21d - 643fd2d6cf9abb18174a9e9e - 4fe79839137e959c

§ 105-164.4(a)

A privilege tax is imposed on a retailer engaged in business in the State at the percentage rates of the retailer's net taxable sales or gross receipts, listed in this subsection. The general rate of tax is four and three-quarters percent (4.75%). The percentage rates are as follows:

(1) The general rate of tax applies to the following items sold at retail:

a.The sales price of each article of tangible personal property that is not subject to tax under another subdivision in this section. A sale of a freestanding appliance is a retail sale of tangible personal property.

b.The sales price of certain digital property. The tax applies regardless of whether the purchaser of the property has a right to use it permanently or to use it without making continued payments. The sale at retail or the use, storage, or consumption in this State of a digital code is treated the same as the sale at retail or the use, storage, or consumption in this State of certain digital property for which the digital code relates.

c.The sales price of or gross receipts derived from repair, maintenance, and installation services to tangible personal property or certain digital property, regardless of whether the tangible personal property or certain digital property is taxed under another subdivision in this section or is subject to a maximum tax under another subdivision in this section. Repair, maintenance, and installation services generally include any tangible personal property or certain digital property that becomes a part of or is applied to a purchaser's property. The use tax exemption in G.S. 105-164.27A(a3) may

apply to these services. Repair, maintenance, and installation services for real property are taxable under subdivision (16) of this subsection.

(1a) The general rate applies to the sales price of each of the following items sold at retail, including all accessories attached to the item when it is delivered to the purchaser:

a.A manufactured home.

b.A modular home. The sale of a modular home to a modular homebuilder is considered a retail sale, no matter that the modular home may be used to fulfill a real property contract. A person who sells a modular home at retail is allowed a credit against the tax imposed by this subdivision for sales or use tax paid to another state on tangible personal property incorporated in the modular home. The retail sale of a modular home occurs when a modular home manufacturer sells a modular home to a modular homebuilder or directly to the end user of the modular home.

c.An aircraft. The maximum tax is two thousand five hundred dollars (\$2,500) per article.

d.A qualified jet engine.

(1b) The rate of three percent (3%) applies to the sales price of each boat sold at retail, including all accessories attached to the boat when it is delivered to the purchaser. The maximum tax is one thousand five hundred dollars (\$1,500) per article.

(1c) , (1d) and (1e) Repealed by Session Laws 2005-276, s. 33.4(b), effective January 1, 2006.

(1f) Repealed by Session Laws 2013-316, s. 4.1(c), effective July 1, 2014, and applicable to gross receipts billed on or after July 1, 2014.

a.Repealed by Session Laws 2007-397, s. 10(b), effective October 1, 2007, and applicable to sales occurring on or after that date.

b.Repealed by Session Laws 2006-66, s. 24.19(a), effective July 1, 2007, and applicable to sales made on or after that date.

c.Repealed by Session Laws 2007-397, s. 10(b), effective October 1, 2007, and applicable to sales occurring on or after that date.

(1g) Repealed by Session Laws 2004-110, s. 6.1, effective October 1, 2004, and applicable to sales of electricity made on or after that date.

- (1h) Expired pursuant to Session Laws 2004-110, s. 6.4, effective for sales made on or after October 1, 2007.
- (1i) Repealed by Session Laws 2007-397, s. 10(a), effective October 1, 2007, and applicable to sales occurring on or after that date.
- (1j) Repealed by Session Laws 2007-397, s. 10(f), effective July 1, 2010, and applicable to sales occurring on or after that date.
- (2) The applicable percentage rate applies to the gross receipts derived from the lease or rental of tangible personal property by a person who is engaged in business of leasing or renting tangible personal property, or is a retailer and leases or rents property of the type sold by the retailer. The applicable percentage rate is the rate and the maximum tax, if any, that applies to a sale of the property that is leased or rented. A person who leases or rents property shall also collect the tax imposed by this section on the separate retail sale of the property.
- (3) The general rate applies to the gross receipts derived from the rental of an accommodation. These rentals are taxed in accordance with G.S. 105-164.4F.
- (4) Every person engaged in the business of operating a dry cleaning, pressing, or hat-blocking establishment, a laundry, or any similar business, engaged in the business of renting clean linen or towels or wearing apparel, or any similar business, or engaged in the business of soliciting cleaning, pressing, hat blocking, laundering or linen rental business for any of these businesses, is considered a retailer under this Article. A tax at the general rate of tax is levied on the gross receipts derived by these retailers from services rendered in engaging in any of the occupations or businesses named in this subdivision. The tax imposed by this subdivision does not apply to receipts derived from coin, token, or card-operated washing machines, extractors, and dryers. The tax imposed by this subdivision does not apply to gross receipts derived from services performed for resale by a retailer that pays the tax on the total gross receipts derived from the services.
- (4a) Repealed by Session Laws 2013-316, s. 4.1(c), effective July 1, 2014, and applicable to gross receipts billed on or after July 1, 2014.

- (4b) A person who sells tangible personal property at a specialty market or other event, other than the person's own household personal property, is considered a retailer under this Article. A tax at the general rate of tax is levied on the sales price of each article sold by the retailer at the specialty market or other event. The term "specialty market" has the same meaning as defined in G.S. 66-250.
- (4c) The combined general rate applies to the gross receipts derived from providing telecommunications service and ancillary service, including any separately stated charges billed to a customer for repair, maintenance, and installation services or a contribution in aid of construction. A person who provides telecommunications service or ancillary service is considered a retailer under this Article. These services are taxed in accordance with G.S. 105-164.4C.
- (4d) The general rate applies to the gross receipts derived from the sale or recharge of prepaid telephone calling service. The tax applies regardless of whether tangible personal property, such as a card or a telephone, is transferred. The tax applies to a service that is sold in conjunction with prepaid wireless calling service. Prepaid telephone calling service is taxable at the point of sale instead of at the point of use and is sourced in accordance with G.S. 105-164.4B. Prepaid telephone calling service taxed under this subdivision is not subject to tax as a telecommunications service.
- (5) Repealed by Session Laws 1998-212, s. 29A.1(a), effective May 1, 1999.
- (6) The combined general rate applies to the gross receipts derived from providing video programming to a subscriber in this State, including any separately stated charges billed to a customer for repair, maintenance, and installation services or a contribution in aid of construction. A cable service provider, a direct-to-home satellite service provider, and any other person engaged in the business of providing video programming is considered a retailer under this Article.
- (6a) The general rate applies to the gross receipts derived from providing satellite digital audio radio service. For services received by a mobile or portable station, the service is sourced to the subscriber's business or home address. A person engaged in the business of providing satellite digital audio radio service is a retailer under this Article.
- (6b) Repealed by Session Laws 2019-169, s. 3.2, effective July 26, 2019.

- (7) The combined general rate applies to the sales price of antique spirituous liquor and spirituous liquor other than mixed beverages. As used in this subdivision, the terms "antique spirituous liquor", "spirituous liquor", and "mixed beverage" have the meanings provided in G.S. 18B-101.
- (8) Repealed by Session Laws 2015-259, s. 4.2(b), effective October 1, 2015, and applicable to sales made on or after that date.
- (9) The combined general rate applies to the gross receipts derived from sales of electricity and piped natural gas, including any separately stated charges billed to a customer for repair, maintenance, and installation services or a contribution in aid of construction.
- (10) The general rate of tax applies to the gross receipts derived from an admission charge to an entertainment activity. Gross receipts derived from an admission charge to an entertainment activity are taxable in accordance with G.S. 105-164.4G.
- (11) The general rate of tax applies to the sales price of or the gross receipts derived from a service contract. A service contract is taxed in accordance with G.S. 105-164.4I.
- (12) The general rate of tax applies to the sales price of or gross receipts derived from a prepaid meal plan. A bundle that includes a prepaid meal plan is taxable in accordance with G.S. 105-164.4D.
- (13) Repealed by Session Laws 2017-204, s. 2.2. For effective date and applicability, see Editor's note.
- (14) , (14a) Expired pursuant to Session Laws 2014-39, s. 1(e), effective July 1, 2015.
- (15) The combined general rate applies to the gross receipts derived from the sale of aviation gasoline and jet fuel.
- (16) The general rate applies to the sales price of or the gross receipts derived from repair, maintenance, and installation services for real property and generally includes any tangible personal property or certain digital property that becomes a part of or is applied to a purchaser's property. A mixed transaction contract and a real property contract are taxed in accordance with G.S. 105-164.4H. A property management contract is taxable in accordance with G.S. 105-164.4K.

§ 105-164.4(b)

The tax levied in this section shall be collected from the retailer and paid by him at the time and in the manner as hereinafter provided. A person engaging in business as a retailer shall pay the tax required on the net taxable sales of the business at the rates specified when proper books are kept showing separately the gross proceeds of taxable and nontaxable sales of items subject to tax under subsection (a) of this section in a form that may be accurately and conveniently checked by the Secretary or the Secretary's duly authorized agent. If the records are not kept separately, the tax shall be paid on the gross sales of the business and the exemptions and exclusions provided by this Article are not allowed. The tax levied in this section is in addition to all other taxes whether levied in the form of excise, license, privilege, or other taxes. The requirements of this subsection apply to facilitators liable for tax under this Article.

§ 105-164.4(c)

Certificate of Registration. - Before a person may engage in business as a retailer or a wholesale merchant in this State, the person must obtain a certificate of registration from the Department in accordance with G.S. 105-164.29. A facilitator that is liable for tax under this Article must obtain a certificate of registration from the Department in accordance with G.S. 105-164.29.

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I
89 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	1959	c. 1259, s. 5	AMENDED
03	1961	c. 826, s. 2	AMENDED
04	1963	c. 1169, ss. 3, 11	AMENDED
05	1967	c. 1110, s. 6	AMENDED
06	1967	c. 1116	AMENDED
07	1969	c. 1075, s. 5	AMENDED

08	1971	c. 887, s. 1	AMENDED
09	1973	c. 476, s. 193	AMENDED
10	1973	c. 1287, s. 8	AMENDED
11	1975	c. 752	AMENDED
12	1977	c. 903	AMENDED
13	1977	2nd Sess., c. 1218	AMENDED
14	1979	c. 17, s. 1	AMENDED
15	1979	c. 22	AMENDED
16	1979	c. 48, s. 1	AMENDED
17	1979	c. 527, s. 1	AMENDED
18	1979	c. 801, s. 73	AMENDED
19	1981	c. 984, ss. 1, 2	AMENDED
20	1981	1981 (Reg. Sess., 1982), cc. 1207, 1273	AMENDED
21	1983	c. 510	AMENDED
22	1983	c. 713, ss. 89, 93	AMENDED
23	1983	c. 805, ss. 1, 2	AMENDED
24	1983	1983 (Reg. Sess., 1984), c. 1065, ss. 1, 2, 4	AMENDED
25	1983	c. 1097, ss. 6, 13	AMENDED
26	1985	c. 704	AMENDED
27	1985	1985 (Reg. Sess., 1986), c. 925	AMENDED
28	1985	c. 1005	AMENDED
29	1987	c. 557, ss. 4, 5	AMENDED
30	1987	c. 800, ss. 2, 3	AMENDED
31	1987	c. 854, s. 1	AMENDED
32	1987	1987 (Reg. Sess., 1988), c. 1044, s. 4	AMENDED
33	1989	c. 692, ss. 3.1, 3.3, 8.4(8)	AMENDED
34	1989	c. 770, s. 74.4	AMENDED
35	1989	1989 (Reg. Sess., 1990), c. 813, ss. 14, 15	AMENDED
36	1991	c. 598, s. 5	AMENDED
37	1991	c. 689, s. 311	AMENDED

38	1991	c. 690, s. 1	AMENDED
39	1993	c. 372, s. 1	AMENDED
40	1993	c. 484, s. 2	AMENDED
41	1995	c. 17, s. 6	AMENDED
42	1995	c. 477, s. 1	AMENDED
43	1996	2nd Ex. Sess., c. 13, ss. 1.1, 9.1, 9.2	AMENDED
44	1997	S.L. 1997-475, s. 1.1	AMENDED
45	1998	S.L. 1998-22, s. 5	AMENDED
46	1998	S.L. 1998-55, ss. 8, 14	AMENDED
47	1998	S.L. 1998-98, ss. 13.2, 48(a), (b)	AMENDED
48	1998	S.L. 1998-121, ss. 3, 5	AMENDED
49	1998	S.L. 1998-197, s. 1	AMENDED
50	1998	S.L. 1998-212, s. 29A.1(a)	AMENDED
51	1999	S.L. 1999-337, ss. 29, 30	AMENDED
52	1999	S.L. 1999-360, s. 3(a), (b)	AMENDED
53	1999	S.L. 1999-438, s. 1	AMENDED
54	2000	S.L. 2000-140, s. 67(a)	AMENDED
55	2001	S.L. 2001-424, ss. 34.13(a), 34.17(a), 34.23(b), 34.25(a)	AMENDED
56	2001	S.L. 2001-430, ss. 3, 4, 5	AMENDED
57	2001	S.L. 2001-476, ss. 17(b)-(d), (f)	AMENDED
58	2001	S.L. 2001-487, ss. 67(b), 122(a)-(c)	AMENDED
59	2002	S.L. 2002-16, s. 4	AMENDED
60	2003	S.L. 2003-284, s. 38.1	AMENDED
61	2003	S.L. 2003-400, s. 15	AMENDED
62	2004	S.L. 2004-110, ss. 6.1, 6.2, 6.3	AMENDED
63	2005	S.L. 2005-144, s. 9.1	AMENDED
64	2005	S.L. 2005-276, ss. 33.1, 33.4(a), (b)	AMENDED
65	2006	S.L. 2006-33, ss. 2, 11	AMENDED
66	2006	S.L. 2006-66, ss. 24.1(a), (b), (c), 24.19(a), (b)	AMENDED
67	2006	S.L. 2006-151, s. 3	AMENDED

68	2007	S.L. 2007-145, s. 9(a)	AMENDED
69	2007	S.L. 2007-323, ss. 31.2(a), (b), 31.16.3(h), 31.16.4(g)	AMENDED
70	2007	S.L. 2007-397, s. 10(a)-(f)	AMENDED
71	2009	S.L. 2009-451, s. 27A.2(b), (e)	AMENDED
72	2010	S.L. 2010-31, s. 31.6(a)	AMENDED
73	2010	S.L. 2010-123, s. 10.2	AMENDED
74	2011	S.L. 2011-330, s. 16	AMENDED
75	2013	S.L. 2013-316, ss. 3.1(a), 4.1(c), (e), 5(b), 6(b)	AMENDED
76	2013	S.L. 2013-414, ss. 9, 40	AMENDED
77	2014	S.L. 2014-3, ss. 4.1(b), 5.1(a), (f), 6.1(b), 7.1(b), 8.1(a), 14.8	AMENDED
78	2014	S.L. 2014-39, s. 1(a)	AMENDED
79	2015	S.L. 2015-6, s. 2.1(b)	AMENDED
80	2015	S.L. 2015-98, s. 1(h)	AMENDED
81	2015	S.L. 2015-241, s. 32.18(b)	AMENDED
82	2015	S.L. 2015-259, ss. 4.1(b), 4.2(b)	AMENDED
83	2016	S.L. 2016-92, s. 2.3	AMENDED
84	2016	S.L. 2016-94, s. 38.5(e)	AMENDED
85	2017	S.L. 2017-204, s. 2.2	AMENDED
86	2018	S.L. 2018-5, s. 38.5(c)	AMENDED
87	2019	S.L. 2019-169, ss. 3.2, 3.4(a), 3.9(d)	AMENDED
88	2019	S.L. 2019-246, s. 7(a)	AMENDED
89	2020	S.L. 2020-58, s. 3.4	AMENDED

APPARATUS II

12 AUTHORITIES

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. 105-164.27A(a3)	(a)	"property. The use tax exemption in "
G.S. 105-164.4F	(a)(3)	"rentals are taxed in accordance with"

G.S. 66-250	(a)(4b)	"the same meaning as defined in"
G.S. 105-164.4C	(a)(4c)	"services are taxed in accordance with"
G.S. 105-164.4B	(a)(4d)	"and is sourced in accordance with"
G.S. 18B-101	(a)(7)	"beverage" have the meanings provided in"
G.S. 105-164.4G	(a)(10)	"activity are taxable in accordance with"
G.S. 105-164.4I	(a)(11)	"contract is taxed in accordance with"
G.S. 105-164.4D	(a)(12)	"plan is taxable in accordance with"
G.S. 105-164.4H	(a)(16)	"contract are taxed in accordance with"
G.S. 105-164.4K	(a)(16)	"contract is taxable in accordance with"
G.S. 105-164.29	(c)	"from the Department in accordance with"

APPARATUS III

Citation

FULL SECTION
N.C. Gen. Stat. § 105-164.4 (2020).

PINPOINT
N.C. Gen. Stat. § 105-164.4(a) (2020).

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

(1957, c. 1340, s. 5; 1959, c. 1259, s. 5; 1961, c. 826, s. 2; 1963, c. 1169, ss. 3, 11; 1967, c. 1110, s. 6; c. 1116; 1969, c. 1075, s. 5; 1971, c. 887, s. 1; 1973, c. 476, s. 193; c. 1287, s. 8; 1975, c. 752; 1977, c. 903; 1977, 2nd Sess., c. 1218; 1979, c. 17, s. 1; c. 22; c. 48, s. 1; c. 527, s. 1; c. 801, s. 73; 1981, c. 984, ss. 1, 2; 1981 (Reg. Sess., 1982), cc. 1207, 1273; 1983, c. 510; c. 713, ss. 89, 93; c. 805, ss. 1, 2; 1983 (Reg. Sess., 1984), c. 1065, ss. 1, 2, 4; c. 1097, ss. 6, 13; 1985, c. 704; 1985 (Reg. Sess., 1986), c. 925; c. 1005; 1987, c. 557, ss. 4, 5; c. 800, ss. 2, 3; c. 854, s. 1; 1987 (Reg. Sess., 1988), c. 1044, s. 4; 1989, c. 692, ss. 3.1, 3.3, 8.4(8); c. 770, s. 74.4; 1989 (Reg. Sess., 1990), c. 813, ss. 14, 15; 1991, c. 598, s. 5; c. 689, s. 311; c. 690, s. 1; 1993, c. 372, s. 1; c. 484, s. 2; 1995, c. 17, s. 6; c. 477, s. 1; 1996, 2nd Ex. Sess., c. 13, ss. 1.1, 9.1, 9.2; 1997-475, s. 1.1; 1998-22, s. 5; 1998-55, ss. 8, 14; 1998-98, ss. 13.2, 48(a), (b); 1998-121, ss. 3, 5; 1998-197, s. 1; 1998-212, s. 29A.1(a); 1999-337, ss. 29, 30; 1999-360, s. 3(a), (b); 1999-438, s. 1; 2000-140, s. 67(a); 2001-424, ss. 34.13(a), 34.17(a), 34.23(b), 34.25(a); 2001-430, ss. 3, 4, 5; 2001-476, ss. 17(b)-(d), (f); 2001-487, ss. 67(b), 122(a)-(c); 2002-16, s. 4; 2003-284, s. 38.1; 2003-400, s. 15; 2004-110, ss. 6.1, 6.2, 6.3; 2005-144, s. 9.1; 2005-276, ss. 33.1, 33.4(a), (b); 2006-33, ss. 2, 11; 2006-66, ss. 24.1(a), (b), (c), 24.19(a), (b); 2006-151, s. 3; 2007-145, s. 9(a); 2007-323, ss. 31.2(a), (b), 31.16.3(h), 31.16.4(g); 2007-397, s. 10(a)-(f); 2009-451, s. 27A.2(b), (e); 2010-31, s. 31.6(a); 2010-123, s. 10.2; 2011-330, s. 16; 2013-316, ss. 3.1(a), 4.1(c), (e), 5(b), 6(b); 2013-414, ss. 9, 40; 2014-3, ss. 4.1(b), 5.1(a), (f), 6.1(b), 7.1(b), 8.1(a), 14.8; 2014-39, s. 1(a); 2015-6, s. 2.1(b); 2015-98, s. 1(h); 2015-241, s. 32.18(b); 2015-259, ss. 4.1(b), 4.2(b); 2016-92, s. 2.3; 2016-94, s. 38.5(e); 2017-204, s. 2.2; 2018-5, s. 38.5(c); 2019-169, ss. 3.2, 3.4(a), 3.9(d); 2019-246, s. 7(a); 2020-58, s. 3.4.)

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