

North Carolina						
Statement of the issues	SSUTA section and/or rule reference	State authority	State's written comments	BAC/ public comments	Staff comment	CRIC decision
Report Issue 1: Taxability Matrix change						
Disaster preparedness subcategories - Add "X" is taxable column and 105-164.4; Digital products, first question - move "X" to the "No" column; Section 310, paragraphs 4 and 5 - change cite to 105-164.4B(a)(3); Section 310.1, second question - change "Yes" to "N/A"; Pay telephone service - Change "N/A" to "Yes" and add Sales & Use Technical Bulletin 21-1J.21		105-164.4B(a)(3)	* Added X and reference to G.S. 105-164.4 for disaster preparedness subcategories as requested though the matrix already noted that "ALL Disaster Preparedness Supply" were taxable. ** G. S. 105-164.4(a)(6b) imposes tax tax on the following items that are delivered or accessed electronically, when such items are not considered tangible personal property: a magazine, a newspaper, a newsletter, a report, or another publication, a photograph, or a greeting card. It appears the original disgnation of yes to this quetion is proper and the request to move the "X" to the "No" column appears incorrect since NC imposes tax on products transferred electronically other than digital audio visual works, digital audio works, or digital books.			
Report Issue 2: Certificate of Compliance						
<u>Items noted below were moved by the State from Report Issue 1: Taxability Matrix and included as Report Issue: 2: Certificate of Compliance.</u> Section 310, paragraphs 4 and 5 - change cite to 105-164.4B(a)(3); Section 310.1, second question - change "Yes" to "N/A"; Pay telephone service Change "N/A" to "Yes" and add Sales & Use Technical Bulletin 21-1J.21			* Section 310 Requested Changes. As noted on the Certificate of Compliance originally submitted, legislation adopted during the 2012 session adjusted the statutory references; therefore, the requested changes are improper. One slight adjustment is being made as the legislation was effective 6/26/12 in lieu of 6/21/12 as noted on the original certificate of compliance. ** Section 310.1, second question - change "Yes" to "N/A" - Action completed. *** Updated Pay telephone service charge to yes as receipts from "pay telephone service" are exempt from tax; therefore, the term is a Modifier of Sales Tax Base/Exemption Terms. The correct TB reference is 21-1J in lieu of 21-1J.21 as indicated per the compliance report.			