

February 19, 2007

H 257. STREAMLINED SALES TAX CHANGES. Filed 2/19/07. *TO AMEND THE SALES TAX DEFINITIONS TO COMPLY WITH THE STREAMLINED SALES TAX AGREEMENT AND TO MAKE OTHER SALES TAX CHANGES.* Modifies the sales tax statutes governing bundled transactions by (1) amending GS 105-164.3 (definitions) to define a *bundled transaction* as the sale of two or more distinct products for one non-itemized price and (2) amending GS 105-164.4D to provide that sales tax applies to the sales price of the bundled transaction unless the bundle includes a service and the retailer can demonstrate a reasonable allocation of the price for each product in the bundle, in which case tax applies to the allocated price of the taxable products. Modifies the definition of *sales price* in GS 105-164.3(37) to (1) make conforming changes relating to bundled transactions and (2) specify that the sales price includes discounts that can be determined at the time of sale and are reimbursable by a third party. Amends the sales tax exemption for boats and supplies for commercial fishing operations in GS 105-164.13(9) to specify that the exemption is for sales only to holders of standard commercial fishing licenses and shellfish licenses and to operators of for-hire boats. Makes technical, conforming, and clarifying changes to GS 105-164.3(12) (definition of gross sales), GS 105-164.12B (property sold below cost with conditional service contract), and GS 105-164.42L (database on taxing jurisdictions). Effective October 1, 2007.

Intro. by Hill.

GS 105

April 23, 2007

H 257. STREAMLINED SALES TAX CHANGES. Filed 2/19/07. House committee substitute makes the following changes to 1st edition. Modifies the proposed amendments to GS 105-164.4D (bundled transactions) to provide that sales tax applies to the sales price of a bundled transaction unless one of three exceptions applies. The first exception applies if (1) the bundle contains no services; (2) the bundle includes food, exempt drugs, and/or exempt medical products; and (3) the price of the taxable products in the bundle is no more than 50% of the price of the bundle. The second exception applies if the bundle contains a service and the retailer can determine an allocated price for each product in the bundle; in this case, sales tax applies to an allocated price of each taxable product in the bundle. The third exception applies if neither of the first two exceptions applies and the price of the taxable products in the bundle does not exceed 10% of the price of the bundle. Also sets the process retailers may use to determine whether the 50% or 10% test is met. Amends GS 105-467 and SL1967-1096 to provide that the first two cents of local sales tax applies to a bundled transaction that includes taxable food if the price of the food exceeds 10% of the price of the bundle.

Makes technical changes to the proposed amendments to GS 105-164.12B (property sold below cost with a conditional service product).

June 27, 2007

H 257. STREAMLINED SALES TAX CHANGES. Filed 2/19/07. Senate committee substitute makes the following changes to 2nd edition. Modifies proposed GS 105-164.3 (definitions) to update the reference to the Streamlined Sales Tax Agreement to include the latest amendments to that Agreement, June 23, 2007. Amends GS 105-519 to provide that a tax levied under Article 44 of GS Chapter 105 (third one-half cent local government sales and use tax) does not apply to the sales price of a bundled transaction taxable under GS 105-467(a)(5a) (regarding a bundled transaction that includes food).

July 23, 2007

SL 2007-244 (H 257). STREAMLINED SALES TAX CHANGES. AN ACT TO AMEND THE SALES TAX DEFINITIONS TO COMPLY WITH THE STREAMLINED SALES TAX AGREEMENT AND TO MAKE OTHER SALES TAX CHANGES. Summarized in *Daily Bulletin* 2/19/07, 4/23/07, and 6/27/07. Enacted July 20, 2007. Effective October 1, 2007.