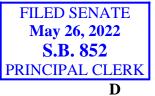
GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2021



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SENATE BILL DRS45542-NIf-28

Short Title:	Tax Relief on Essentials for Working Families.	(Public)
Sponsors:	Senators Mohammed, Murdock, and Mayfield (Primary Sponsors).	
Referred to:		

1		A BILL TO BE ENTITLED						
2	AN ACT TO EX	AN ACT TO EXEMPT FEMININE HYGIENE PRODUCTS, DIAPERS, AND GROCERIES						
3	FROM SALE	FROM SALES TAX.						
4	The General Asse	mbly of North Carolina enacts:						
5	SECT	ION 1. G.S. 105-164.3 is amended by adding two new subdivisions to read:						
6	" <u>(88)</u>	Feminine hygiene products. – Tampons, panty liners, menstrual cups, sanitary						
7		napkins, and other similar tangible personal property designed for feminine						
8		hygiene in connection with the human menstrual cycle but does not include						
9		<u>"grooming and hygiene products."</u>						
10								
11	<u>(94)</u>	Grooming and hygiene products Soaps and cleaning solutions, shampoo,						
12		toothpaste, mouthwash, antiperspirants, suntan lotions, and sunscreens,						
13		regardless of whether the items meet the definition of "over-the-counter						
14		drugs.""						
15		ION 2. G.S. 105-164.13 reads as rewritten:						
16	"§ 105-164.13. R	Retail sales and use tax.						
17								
18	(13d)	Sales of <u>children or adult</u> diapers or incontinence underpads on prescription						
19		by an enrolled State Medicaid/Health Choice provider for use by beneficiaries						
20		of the State Medicaid program when the provider is reimbursed by the State						
21		Medicaid program or a Medicaid managed care organization, as defined in 42						
22		U.S.C. § 1396b(m).underpads.						
23	<u>(13e)</u>	Feminine hygiene products.						
24	"							
25		ION 3. G.S. 105-164.13B reads as rewritten:						
26		Food exempt from tax.						
27		Exemption. – Food is exempt from the taxes imposed by this Article unless the						
28		in one of the subdivisions in this subsection. The following food items are						
29	subject to tax:							
30	(1)	Repealed by Session Laws 2005-276, s. 33.10, effective October 1, 2005.						
31	(2)	Dietary supplements.						
32	(3)	Food sold through a vending machine.						
33	(4)	Prepared food, other than bakery items sold without eating utensils by an						
34		artisan bakery. The term "bakery item" includes bread, rolls, buns, biscuits,						
35		bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins,						



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			ookies, and tortillas. An artisan bake ng requirements:	ery is a bakery that meets all of th
			It derives over eighty percent (80% items.) of its gross receipts from baker
			Its annual gross receipts, combine	ed with the gross receipts of a
			related persons, do not exceed one	• •
			dollars (\$1,800,000). For purpose	6
			"related person" means a person de	
			set forth in section 267(b) or 707(b)	1
	(5)	Soft dri	nks.	
	(6)	Repeale	ed by Session Laws 2003-284, s. 45	.6B, effective January 1, 2004.
	(7)	Candy.		
(b)			of Local Food Tax. The Secretar	5
	-		l as if they were imposed under this	
		under S	ubchapter VIII of this Chapter and	under Chapter 1096 of the 196
Sessio	Haws."			
			G.S. 105-467 reads as rewritten:	
	467. Sco	-		- J
(a)			he sales tax that may be imposed up $10(2)$ of the following:	ider this Article is limited to a ta
at the i	ate of one	percent (1%) of the following:	
	 (5)	The col	es price of food that is not otherw	vise exempt from tax pursuant t
	(5)		5-164.13 but is exempt from the S	1 1
			5-164.13 but is exempt from the 5	tate sales and use tax pursuant t
	(5a)		es price of a bundled transaction that	t includes food subject to tax unde
	(04)		sion (5) of this subsection, if the pri	0
			of the price of the bundle. A retailer	-
		. ,	ndled transaction in accordance with	1
(b)	Exem	ptions an	d Refunds. – The State exemptions a	and exclusions contained in Articl
5 of	Subchapte	r I of	this Chapter, except for includi	ng the exemption for food i
			o the local sales and use tax authoriz	1
			fund provisions contained in G.S. 1	
			nd use tax authorized to be levied a	1
			erroneous State sales tax collection a	
			tax paid on a rescinded sale or	
			o the local sales and use tax authoriz	-
		00	egate annual local refund amore state's fiscal year may not exce	•
	nd dollars		• •	
			his subsection, a taxing county may	not allow an exemption exclusion
			ed under the State sales and use tax.	-
			ed by interlocal agreement among	
	-	•	52 to jointly purchase food servic	
-			is allowed an annual refund of sales	
			s of items. Sales and use tax liabilit	
		-	contract for real property that is own	
	-		use by the entity is considered a sal	• •
-	-			
capital direct		•	tity for the purpose of this subsecti	
capital direct subsec	ion does	not apply	tity for the purpose of this subsection y to purchases of electricity, telective video programming, or a prepaid n	ommunications service, ancillar

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1	due in the same time and manner as provided in G.S. 105-164.14(c). Refunds applied for more
2	than three years after the due date are barred.
3	
4	SECTION 5. G.S. 105-164.3(15) reads as rewritten:
5	"(15) Amenity. – A feature that increases the value or attractiveness of an
6	entertainment activity that allows a person access to items that are not subject
7	to tax under this Article and that are not available with the purchase of
8	admission to the same event without the feature. The term includes parking
9	privileges, special entrances, access to areas other than general admission,
10	mascot visits, and merchandise discounts. The term does not include any
11	charge for food, prepared food, and food or alcoholic beverages subject to tax
12	under this Article."
13	SECTION 6. This act becomes effective October 1, 2022, and applies to sales made
14	on or after that date.