

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

**H.B. 578**  
**Apr 5, 2023**  
**HOUSE PRINCIPAL CLERK**

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HOUSE BILL DRH50031-SVf-13A

Short Title: Incentivize Space Spirits.

(Public)

Sponsors: Representative Hawkins.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO INCENTIVIZE NEW TECHNOLOGIES IN THE MANUFACTURING OF  
SPIRITOUS LIQUOR BY CAPPING THE TAX ON CERTAIN PURCHASES,  
INCLUDING SPIRITOUS LIQUOR THAT HAS BEEN AGED FOR AT LEAST TWELVE  
MONTHS IN ORBIT.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-164.27A is amended by adding a new subsection to read:

"(a4) Qualifying Spiritous Liquor. – A person who purchases qualifying spiritous liquor may apply to the Secretary for a direct pay permit for the purchase of qualifying spiritous liquor. A direct pay permit issued under this subsection authorizes its holder to purchase qualifying spiritous liquor without paying tax to the seller and authorizes the seller to not collect any tax on the qualifying spiritous liquor from the permit holder. A person who purchases qualifying spiritous liquor under a direct pay permit must file a return and pay the tax due to the Secretary in accordance with G.S. 105-164.16. A direct pay permit issued for qualifying spiritous liquor does not apply to any purchase other than the purchase of qualifying spiritous liquor. The maximum use tax on qualifying spiritous liquor is one thousand dollars (\$1,000). For purposes of this subsection, "qualifying spiritous liquor" is a single container of spiritous liquor, as defined in G.S. 18B-101, the purchase price of which is equal to or greater than fifty thousand dollars (\$50,000)."

**SECTION 2.** G.S. 105-113.81 reads as rewritten:

**"§ 105-113.81. Exemptions.**

...

(f) Luxury Liquor. – A distillery is not required to remit excise taxes on spiritous liquor for which the purchase price for a single container is equal to or greater than fifty thousand dollars (\$50,000). However, the purchaser must remit use tax in accordance with G.S. 105-164.27A(a4)."

**SECTION 3.** This act is effective January 1, 2024, and applies to purchases occurring on or after that date.



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