

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 1200
PROPOSED COMMITTEE SUBSTITUTE H1200-PCS40766-SVf-52

Short Title: Tax-Free Family Essentials Act.

(Public)

Sponsors:

Referred to:

May 5, 2026

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT DIAPERS, BABY WIPES, AND FEMININE HYGIENE PRODUCTS
3 FROM THE SALES TAX.

4 The General Assembly of North Carolina enacts:

5 SECTION 1.(a) G.S. 105-164.3 reads as rewritten:

6 "§ 105-164.3. Definitions.

7 The following definitions apply in this Article:

8 ...

9 (21a) Baby wipes. – Disposable, pre-moistened tissues, towelettes, or wipes that are
10 marketed and labeled by the manufacturer primarily for use on the skin of
11 babies or toddlers excluding items that meet the definition of an
12 "over-the-counter drug."

13 ...

14 (88) Feminine hygiene products. – Tampons, panty liners, menstrual cups, pads,
15 and other similar tangible personal property designed for use in connection
16 with the human menstrual cycle but does not include "grooming and hygiene
17 products."

18 ...

19 (94) Grooming and hygiene products. – Soaps and cleaning solutions, shampoo,
20 toothpaste, mouthwash, antiperspirants, suntan lotions, and sunscreens,
21 regardless of whether the items meet the definition of "over-the-counter
22 drugs."

23"

24 SECTION 1.(b) G.S. 105-164.13 reads as rewritten:

25 "§ 105-164.13. Retail sales and use tax.

26 The sale at retail and the use, storage, or consumption in this State of the following items are
27 specifically exempted from the tax imposed by this Article:

28 ...

29 (13d) ~~Sales of diapers or incontinence underpads on prescription by an enrolled~~
30 ~~State Medicaid provider for use by beneficiaries of the State Medicaid~~
31 ~~program when the provider is reimbursed by the State Medicaid program or a~~
32 ~~Medicaid managed care organization, as defined in 42 U.S.C. §~~
33 ~~1396b(m).underpads.~~

34 ...

35 (76) Sales of baby wipes.

36 (77) Sales of feminine hygiene products."



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1 **SECTION 2.** This act becomes effective October 1, 2026, and applies to sales made
2 on or after that date.