



**Sales and Use Tax Division
North Carolina Department of Revenue
Post Office Box 25000
Raleigh, North Carolina 27640-0001
www.dornc.com**

**IMPORTANT NOTICE:
STATE AGENCY PURCHASES OF PIPED NATURAL GAS**

N.C. Gen. Stat. § 105-164.4(a)(9) imposes the 7.00% combined general rate of sales and use tax to the gross receipts derived from sales of piped natural gas **billed on or after July 1, 2014**. Sales to and purchases by a State agency of piped natural gas are exempt from sales and use tax provided all of the conditions set forth in N.C. Gen. Stat. § 105-164.13(52) are met.

N.C. Gen. Stat. § 105-164.13(52) provides an exemption to a State agency for purchases of items subject to sales and use tax under N.C. Gen. Stat. § 105-164.4, other than electricity, telecommunications service, and ancillary service. The conditions of N.C. Gen. Stat. § 105-164.13(52) require the piped natural gas must be purchased pursuant to a valid purchase order issued by the State agency that contains the exemption number of the agency and a description of the property purchased or must be paid for with a State-issued check, electronic deposit, credit card, procurement card, or credit account of the State agency. N.C. Gen. Stat. § 105-164.3(43) defines a "State agency" as "[a] unit of the executive, legislative, or judicial branch of State government, such as a department, a commission, a board, a council, or The University of North Carolina. The term does not include a local board of education."

Sales of electricity, telecommunications service, and ancillary service to a State agency remain subject to the 7.00% combined general rate of sales and use tax.

Assistance

General questions regarding this notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).