

TABLE 32. STATE SALES AND USE TAX: GROSS COLLECTIONS BY BUSINESS GROUPS AND UNITS  
 [§ 105 ARTICLE 5.]

Business groups	Fiscal year									
	2000-2001		2001-2002		2002-2003		2003-2004		2004-2005	
	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total
<b>Retail:</b>										
Apparel.....	103,360,801	2.8%	111,403,687	2.8%	117,690,127	2.7%	127,897,863	2.8%	142,766,762	2.9%
<b>Automotive:</b>	200,666,251	5.4%	208,599,593	5.2%	227,265,003	5.3%	245,227,323	5.3%	254,507,573	5.2%
Motor vehicle dealers.....	29,838,988	0.8%	32,029,558	0.8%	37,646,002	0.9%	39,596,595	0.9%	40,597,056	0.8%
Airplanes, boats - (3%) rate.....	10,816,022	0.3%	9,371,592	0.2%	9,659,261	0.2%	12,569,582	0.3%	11,395,303	0.2%
Manufactured home (mobile home) dealers.....	1,794,168	0.0%	2,703,611	0.1%	4,300,358	0.1%	3,705,412	0.1%	2,396,813	0.0%
Manufactured home (mobile home)..... [2% rate w/\$300 maximum tax per section; 4.75% general State rate eff 1-1-14]	15,764,953	0.4%	13,938,318	0.3%	10,035,961	0.2%	9,055,266	0.2%	5,607,207	0.1%
Modular home-[2% rate; 2.5% rate eff 1-1-04; ... 4.75% general State rate eff 1-1-14]	[included in mfd home group]		[included in mfd home group]		[included in mfd home group]		2,385,872	0.1%	7,032,204	0.1%
Other automotive.....	142,452,120	3.9%	150,556,514	3.8%	165,623,421	3.9%	177,914,596	3.8%	187,478,990	3.8%
Food.....	544,829,232	14.8%	592,373,707	14.8%	647,561,215	15.1%	698,906,710	15.1%	725,611,884	14.8%
Furniture.....	147,154,473	4.0%	152,256,737	3.8%	163,022,146	3.8%	168,784,595	3.7%	181,087,138	3.7%
General merchandise.....	739,689,728	20.0%	779,544,745	19.5%	836,211,296	19.5%	905,225,841	19.6%	987,088,322	20.2%
Lumber and building material.....	398,824,508	10.8%	417,621,545	10.5%	442,421,857	10.3%	509,484,600	11.0%	594,458,884	12.1%
Utility services, cable, satellite, and liquor..... [See Utility services group notes for imposition and effective dates of the various tax types in category]	382,383,571	10.4%	502,420,816	12.6%	638,345,779	14.9%	645,652,114	14.0%	669,470,423	13.7%
Unclassified.....	879,966,505	23.8%	1,159,122,440	29.0%	1,145,217,411	26.7%	1,237,648,867	26.8%	1,249,760,813	25.5%
Farm, mill, laundry machinery; fuel to farmers, manufacturers, laundries; other - 1%..... [see notes for changes in 2005-06]	54,284,377	1.5%	44,467,748	1.1%	43,686,015	1.0%	43,196,807	0.9%	46,272,351	0.9%
8% Highway use tax - motor vehicle leasing.....	25,710,847	0.7%	26,196,182	0.7%	29,768,723	0.7%	40,780,642	0.9%	43,909,573	0.9%
Use tax†.....	213,868,145	5.8%	[see note]	[see note]	[see note]	[see note]	[see note]	[see note]	[see note]	[see note]
<b>Total retail and use tax</b>	<b>3,690,738,438</b>	<b>100.0%</b>	<b>3,994,007,200</b>	<b>100.0%</b>	<b>4,291,189,572</b>	<b>100.0%</b>	<b>4,622,805,361</b>	<b>100.0%</b>	<b>4,894,933,722</b>	<b>100.0%</b>

†Use tax: Amounts shown for 2000-01 reflect use tax generated from the general State rate. Effective for 2001-02, use tax amounts generated from the general State rate are no longer shown separately as they are included within the attributable business group.

TABLE 32. - Continued

Business groups	Fiscal year									
	2005-2006		2006-2007		2007-2008		2008-2009		2009-2010	
	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total
<b>Retail:</b>										
Apparel.....	157,105,070	2.9%	164,582,009	3.0%	166,503,664	3.0%	160,766,330	3.0%	201,103,465	3.3%
<b>Automotive:</b>	268,416,687	5.0%	294,970,807	5.4%	268,653,868	4.8%	253,374,751	4.8%	298,594,153	4.9%
Motor vehicle dealers.....	42,583,989	0.8%	45,734,450	0.8%	41,502,539	0.7%	38,328,294	0.7%	45,651,373	0.7%
Airplanes, boats - (3%) rate.....	11,335,806	0.2%	11,951,215	0.2%	10,325,139	0.2%	7,871,696	0.1%	6,742,653	0.1%
Manufactured home (mobile home) dealers.....	2,626,920	0.0%	2,842,309	0.1%	2,482,915	0.0%	2,587,807	0.0%	2,654,471	0.0%
Manufactured home (mobile home)..... [2% rate w/\$300 maximum tax per section; 4.75% general State rate eff 1-1-14]	5,572,123	0.1%	5,025,574	0.1%	4,901,261	0.1%	4,374,523	0.1%	2,793,127	0.0%
Modular home-[2% rate; 2.5% rate eff 1-1-04; ... 4.75% general State rate eff 1-1-14]	6,203,637	0.1%	6,636,691	0.1%	5,280,537	0.1%	2,878,009	0.1%	2,292,810	0.0%
Other automotive.....	200,094,212	3.7%	222,780,568	4.0%	204,161,478	3.7%	197,334,421	3.7%	238,459,719	3.9%
Food.....	783,417,598	14.6%	831,453,408	15.1%	876,098,237	15.7%	886,588,933	16.6%	1,055,334,447	17.3%
Furniture.....	198,490,297	3.7%	208,499,382	3.8%	203,240,968	3.6%	170,867,003	3.2%	183,288,893	3.0%
General merchandise.....	1,089,864,576	20.3%	1,221,612,749	22.2%	1,175,496,989	21.1%	1,207,100,654	22.7%	1,424,870,188	23.4%
Lumber and building material.....	665,026,475	12.4%	686,415,346	12.5%	644,616,863	11.6%	516,895,325	9.7%	524,953,730	8.6%
Utility services, cable, satellite, and liquor..... [See Utility services group notes for imposition and effective dates of the various tax types in category]	763,745,628	14.2%	855,902,217	15.5%	916,293,711	16.4%	961,872,971	18.1%	1,017,975,473	16.7%
Unclassified.....	1,362,051,125	25.3%	1,190,113,490	21.6%	1,267,588,011	22.7%	1,121,202,386	21.0%	1,337,075,208	22.0%
Farm, mill, laundry machinery; fuel to farmers, manufacturers, laundries; other - 1%..... [see notes for changes in 2005-06]	36,214,021	0.7%	2,795,484	0.1%	755,963	0.0%	125,625	0.0%	8,945	0.0%
8% Highway use tax - motor vehicle leasing.....	49,821,633	0.9%	49,250,929	0.9%	53,016,394	1.0%	47,714,293	0.9%	43,836,892	0.7%
<b>Total retail and use tax</b>	<b>5,374,153,110</b>	<b>100.0%</b>	<b>5,505,595,819</b>	<b>100.0%</b>	<b>5,572,264,667</b>	<b>100.0%</b>	<b>5,326,508,270</b>	<b>100.0%</b>	<b>6,087,041,393</b>	<b>100.0%</b>

TABLE 32. - Continued

Business groups	Fiscal year									
	2010-2011		2011-2012		2012-2013		2013-2014		2014-2015	
	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total
<b>Retail:</b>										
Apparel.....	228,324,220	3.4%	210,572,153	3.5%	217,286,706	3.6%	224,340,599	3.6%	244,895,023	3.4%
<b>Automotive:</b>	333,430,369	5.0%	293,295,322	4.9%	291,068,243	4.9%	313,355,019	5.0%	347,722,128	4.8%
Motor vehicle dealers.....	52,511,060	0.8%	46,398,619	0.8%	45,947,125	0.8%	57,046,193	0.9%	77,158,857	1.1%
Airplanes, boats - (3%) rate.....	6,241,010	0.1%	6,951,088	0.1%	7,400,185	0.1%	7,330,327	0.1%	7,660,384	0.1%
Manufactured home (mobile home) dealers.....	2,577,280	0.0%	2,176,281	0.0%	2,024,089	0.0%	2,330,961	0.0%	2,518,496	0.0%
Manufactured home (mobile home).....	2,146,134	0.0%	2,099,181	0.0%	1,930,091	0.0%	3,343,178	0.1%	5,812,359	0.1%
[2% rate w/\$300 maximum tax per section; 4.75% general State rate eff 1-1-14]										
Modular home-[2% rate; 2.5% rate eff 1-1-04; ... 4.75% general State rate eff 1-1-14]	1,735,914	0.0%	1,652,544	0.0%	1,683,392	0.0%	2,648,294	0.0%	3,406,222	0.0%
Other automotive.....	268,218,972	4.1%	234,017,609	3.9%	232,083,361	3.9%	240,656,066	3.9%	251,165,810	3.5%
Food.....	1,159,701,808	17.5%	1,032,532,550	17.4%	1,050,202,818	17.5%	1,094,730,715	17.6%	1,178,821,871	16.4%
Furniture.....	197,328,858	3.0%	175,004,824	2.9%	178,706,520	3.0%	185,386,129	3.0%	198,590,003	2.8%
General merchandise.....	1,556,012,339	23.5%	1,382,986,686	23.3%	1,386,103,453	23.2%	1,435,156,083	23.1%	1,572,223,923	21.9%
Lumber and building material.....	575,147,798	8.7%	532,014,339	8.9%	525,650,799	8.8%	559,344,805	9.0%	605,434,122	8.4%
Utility services, cable, satellite, and liquor.....	999,108,470	15.1%	899,993,920	15.1%	910,528,887	15.2%	908,938,409	14.6%	1,389,049,822	19.3%
[See Utility services group notes for imposition and effective dates of the various tax types in category]										
Unclassified.....	1,517,969,104	22.9%	1,364,255,171	22.9%	1,367,382,387	22.8%	1,442,584,691	23.2%	1,583,552,992	22.0%
Farm, mill, laundry machinery; fuel to farmers, manufacturers, laundries; other - 1%.....	39,005	0.0%	(4,749)	0.0%	9,082	0.0%	-	-	-	-
[see notes for changes in 2005-06]										
8% Highway use tax - motor vehicle leasing.....	53,235,229	0.8%	55,176,488	0.9%	57,372,140	1.0%	61,814,982	1.0%	65,776,523	0.9%
<b>Total retail and use tax</b>	<b>6,620,297,200</b>	<b>100.0%</b>	<b>5,945,826,703</b>	<b>100.0%</b>	<b>5,984,311,036</b>	<b>100.0%</b>	<b>6,225,651,432</b>	<b>100.0%</b>	<b>7,186,066,406</b>	<b>100.0%</b>

Source: State Sales and Use Tax Statistics For Fiscal Year series at <www.dorn.com/publications/fiscalyearsales>

Detail may not add to totals due to rounding. Negative collection values attributable to the 1% rate business classification reflect negative adjustments made to multiple account periods.

**Business classifications**

Business classifications are not indicative of sales of specific items (merchandising lines), but are, instead, reflective of all transactions reported by a business registered (coded) within a particular classification. For instance, the food category includes sales of all items sold by establishments registered as bakeries, candy and confectionery stores, dairies and dairy bars, vending machine operators, drink stands, restaurants, cafeterias, grills, snack bars, taverns, nightclubs, and grocers (taxable food, cleaning products, toiletries, hardware, floral sales, taxable pharmaceutical items, gifts, toys, office supplies, and miscellany). Sales of taxable food items reported by establishments registered as discount stores, wholesale buying clubs, and convenience stores are included within the general merchandise group - not the food group.

The apparel category includes all transactions (including accessories) reported by merchants registered (coded) as apparel businesses; apparel transactions of department stores, discount stores, wholesale buying clubs, etc. are included within the general merchandise group - not the apparel group.

The furniture category includes all transactions (including accessories) reported by merchants registered (coded) as furniture dealers; furniture items sold by department stores, discount stores, flea markets, etc. are included within the general merchandise group - not the furniture group.

Data are by-product data compiled during the processing of reports and remittances filed by taxpayers required to register for, collect, and remit sales and use taxes, and are classified according to the business classification code assigned during the sales and use tax business registration process.

**Changes in general sales tax rate:** Effective October 16, 2001, the rate increased from 4% to 4.5%; effective December 1, 2006, the rate decreased to 4.25%; effective October 1, 2008, the rate increased to 4.5%; effective September 1, 2009, the rate increased from 4.5% to 5.5%; effective October 1, 2009, the rate increased to 5.75%; effective July 1, 2011, the rate decreased to 4.75%.

TABLE 32. - Continued

1%, 2%, 2.5%, and 3% tax group (as of July 1, 2014, the 3% rate applicable to the sales of aircraft and boats is the remaining operative non-utility State preferential sales and use tax rate):

- 2001-02 Effective October 1, 2001, the \$1,500 tax limit applicable to the sale or continuous lease or rental of noncommercial vehicles was repealed.
- 2003-04 Effective for sales made on or after January 1, 2004, modular homes are subject to a 2.5% State sales and use tax rate under § 105-164.4(a)(8). Twenty percent (20%) of the taxes collected under this statute is distributed to counties and municipalities. [§ 105-164.44G] [Prior to the law change, modular homes were taxed at the 2% State sales and use tax rate under § 105-164.4(a)(1a).]
- 2005-06 Effective January 1, 2006, sales of railway cars, locomotives, and mobile classrooms and offices became taxable at the general State rate and applicable local rates (previously taxed at the State 3% rate with a \$1,500 maximum tax per article). Various farm items and fuel used for farming and commercial laundry operations were exempted from taxation (previously taxed at the 1% State sales tax rate). Additionally, various types of machinery (farm, telephone company property, laundry, freezer plant, and broadcasting) and various types of equipment (tobacco, air courier, and flight training) along with farm storage facilities and farm containers were exempted from the 1% State rate with an \$80 maximum tax per article. Concurrently, manufacturing machinery and fuel and qualifying recycling facility equipment were exempted from the State sales tax and made subject to the new privilege tax levied under Article 5F (refer to Table 45).
- 2006-07 Effective July 1, 2006, sales of certain commercial logging machinery and related attachments, repair parts, lubricants, and fuel used to operate logging machinery were exempted from taxation (items are also exempt from the privilege tax under Article 5F). (Items were previously subject to the 1% sales or use tax or 1% privilege tax as appropriate.)
- 2013-14 Effective January 1, 2014, the State general rate applies to the sales price of each manufactured or modular home sold at retail, including all accessories attached to the home when delivered to the purchaser (previously, manufactured homes were taxed at a State preferential 2% rate with a \$300 maximum tax per section; modular homes were taxed at 2.5%).
- 2014-15 Effective September 1, 2014, the State general rate applies to only fifty percent (50%) of the sales price of each manufactured or modular home sold at retail, including all accessories attached to the home when delivered to the purchaser.
- Food group:
- 1996-97 Effective January 1, 1997, the State rate applicable to food purchased for home consumption was reduced from 4% to 3%.
- 1998-99 Effective July 1, 1998, the State rate applicable to food purchased for home consumption was reduced from 3% to 2%.
- Effective May 1, 1999, the 2% State rate applicable to food purchased for home consumption was repealed.
- 2003-04 Effective July 1, 2003, all sales of soft drinks (fountain, those sold for home consumption, and vending) were made subject to both the State and local rates. [Prior to this date, soft drinks sold for home consumption were not taxable at the State level.] [Effective January 1, 2004, sales of closed container soft drinks sold through vending machines were made subject to a partial exemption; only fifty percent (50%) of the sales price of closed container soft drinks sold through vending machines is taxable and subject to both the State and local rates under § 105-164.13(50).]
- Effective January 1, 2004, candy was exempted from the State tax and subject to only the 2% local tax. [Candy sold through vending machines is taxed at fifty percent (50%) of the sales price and is subject to both the State and local rates under § 105-164.13(50).]
- 2005-06 Effective October 1, 2005, all sales of candy are subject to the combined general State and county tax rate; taxation of candy sold through vending machines remains unchanged.
- 2007-08 Effective October 1, 2007, bakery thrift store sales of bread, rolls, and buns became exempt from the State sales tax.
- 2008-09 Effective January 1, 2009, bakery items sold without eating utensils by an artisan bakery were exempted from the State sales tax.
- 2014-15 Effective July 1, 2014, the exemption for bakery thrift store sales of bread, rolls, and buns is repealed: such sales are subject to the State general rate of tax.
- Utility services group:
- 1996-97 Effective August 1, 1996, sales of electricity and piped natural gas to farmers, manufacturers, and commercial laundries and dry cleaners for prescribed purposes were made subject to a 2.83% rate rather than 3%.
- 1999-00 Effective July 1, 1999, sales of piped natural gas became exempt from sales tax and, instead, became subject to the piped natural gas excise tax.
- 2001-02 Effective December 1, 2001, sales of spirituous liquor, other than mixed beverages, became subject to a 6% State sales and use tax. Mixed beverages were already subject to State and local sales and use taxes and were unaffected by the law change.
- Effective January 1, 2002, gross receipts of direct-to-home satellite service to subscribers in this State became subject to a 5% State sales tax.
- Effective January 1, 2002, gross receipts derived from providing telecommunications services became subject to a 6% State sales and use tax.
- Prior to the law change, local telecommunications services were subject to a 3% State sales tax rate and a 3.22% utility franchise tax rate; intrastate long distance calls were taxed at 6.5% and interstate long distance calls were exempt. Telecommunications services include local, interstate, intrastate, toll, private telecommunications, and mobile telecommunications services.
- 2005-06 Effective October 1, 2005, the sales and use tax imposed on the gross receipts of providing telecommunications and direct-to-home satellite services and on the sales of spirituous liquor, other than mixed beverages, increased to the combined general rate of 7%; voice mail services became taxable as part of telecommunications services. Effective January 1, 2006, the combined general rate of 7% sales and use tax is imposed on the gross receipts of providing cable services; gross receipts derived from providing satellite digital audio radio service is taxable being subject to both the State general rate of tax and local rates.
- 2006-07 Effective December 1, 2006, the combined general rate was reduced from 7% to 6.75% to coincide with the 0.25% State general rate reduction. The combined general rate is the State general rate plus the sum of the rates of local tax authorized for every county in the State (2.5%). The combined general rate is imposed on the gross receipts of providing telecommunications service and ancillary service, video programming services (direct-to-home satellite and cable), and to sales of spirituous liquor other than mixed beverages. Effective January 1, 2007, the credit allowed against the sales tax imposed for locally paid cable television franchise taxes was repealed as cable service providers no longer pay franchise taxes on cable services to local governments; legislation authorized a quarterly payment from the State to local governments as replacement for the taxing authority.
- 2007-08 Effective July 1, 2007, the tax rate applicable to sales of electricity sold to a manufacturing industry or plant for a qualifying purpose was reduced from 2.83% to 2.6%.
- Effective October 1, 2007, the tax rate applicable to sales of electricity sold to a manufacturing industry or plant for a qualifying purpose was further reduced from 2.6% to 1.8%; the tax rate applicable to sales of electricity sold to a farmer for a qualifying purpose was reduced from 2.83% to 1.8%.
- Effective April 1, 2008, the combined general rate increased from 6.75% to 7% to incorporate the additional 1/4% levy authorized for county governments.
- 2008-09 Effective July 1, 2008, the tax rate applicable to sales of electricity sold to a manufacturing industry (or to a farmer) for a qualifying purpose decreased from 1.8% to 1.4%.
- 2009-10 Effective July 1, 2009, the tax rate applicable to sales of electricity sold to a manufacturing industry (or to a farmer) for a qualifying purpose decreased from 1.4% to 0.8%.
- Effective September 1, 2009, the combined general rate increased from 7% to 8% to incorporate the general State sales tax rate increase.
- 2010-11 Effective July 1, 2010, the tax rate applicable to sales of electricity sold to a manufacturing industry (or to a farmer) for a qualifying purpose was repealed.
- 2011-12 Effective July 1, 2011, the combined general rate decreased from 8% to 7% to incorporate the general State sales tax rate reduction.
- 2014-15 Effective July 1, 2014, gross receipts derived from sales of electricity and piped natural gas sold at retail, sourced to the State, and billed on or after July 1, 2014, are subject to the 7% combined general rate of sales and use tax (a reduced 3.5% rate provision applies to sales by CHEMC and gas cities for a one-year period).

Unclassified group:

- 2001-02 The *unclassified* category includes \$74,989,019 in payments that were unassignable to specific business classifications due to legislative changes in payment and return due dates.