

**TABLE 33 . STATE SALES AND USE TAX: GROSS COLLECTIONS BY BUSINESS GROUPS AND UNITS**  
**[G.S. 105 ARTICLE 5]**

Business groups	Fiscal year									
	1989-1990		1990-1991		1991-1992		1992-1993		1993-1994	
	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total
<b>Retail:</b>										
Apparel.....	57,257,919	3.1%	56,024,860	3.2%	75,404,501	3.3%	81,978,961	3.3%	86,570,012	3.2%
<b>Automotive:</b>	165,987,037	9.0%	105,910,238	6.0%	136,953,451	6.1%	140,374,492	5.7%	151,491,739	5.6%
Motor vehicle dealers.....	16,896,120	0.9%	15,167,733	0.9%	19,834,347	0.9%	20,330,625	0.8%	22,458,124	0.8%
Airplanes, boats - (3%) rate.....	77,114,315	4.2%	17,347,382	1.0%	23,487,492	1.0%	20,786,371	0.8%	7,406,254	0.3%
Manufactured home (mobile home) dealers.....	269,746	0.0%	354,217	0.0%	532,373	0.0%	507,674	0.0%	730,017	0.0%
Manufactured home (mobile home)-(2%) rate..... [see notes for applicable rates]	[included in airplanes and boats group]		[included in airplanes and boats group]		[included in airplanes and boats group]		[included in airplanes and boats group]		14,384,749	0.5%
Modular home-(2% rate; 2.5% eff 1-1-04) .....									[included in mfd home group]	
Other automotive.....	71,706,856	3.9%	73,040,906	4.1%	93,099,239	4.1%	98,749,822	4.0%	106,512,595	3.9%
Food.....	406,680,704	22.1%	418,682,811	23.7%	556,169,462	24.6%	593,886,077	24.1%	629,357,489	23.2%
Furniture.....	71,098,127	3.9%	69,451,025	3.9%	88,455,439	3.9%	100,672,961	4.1%	113,779,238	4.2%
General merchandise.....	295,641,124	16.0%	298,058,668	16.9%	394,452,528	17.5%	436,756,541	17.7%	477,256,954	17.6%
Lumber and building material.....	146,413,708	7.9%	137,435,499	7.8%	173,406,173	7.7%	205,242,906	8.3%	246,361,024	9.1%
Utility services..... [includes liquor and satellite effective 2001-02]	279,250,139	15.1%	246,757,635	14.0%	274,291,101	12.1%	279,161,417	11.3%	312,209,380	11.5%
Unclassified.....	214,082,191	11.6%	223,150,824	12.6%	300,069,424	13.3%	337,526,708	13.7%	364,945,222	13.4%
Farm, mill, laundry machinery; fuel to farmers, manufacturers, laundries; other - 1%.....	35,969,779	2.0%	35,793,543	2.0%	37,375,994	1.7%	39,798,801	1.6%	41,471,029	1.5%
<b>Total retail.....</b>	<b>1,672,380,728</b>	<b>90.7%</b>	<b>1,591,265,103</b>	<b>90.1%</b>	<b>2,036,578,073</b>	<b>90.1%</b>	<b>2,215,398,864</b>	<b>89.8%</b>	<b>2,423,442,087</b>	<b>89.3%</b>
8% Highway use tax - motor vehicle leasing.....	11,670,832	0.6%	18,406,868	1.0%	17,813,886	0.8%	20,189,023	0.8%	22,070,026	0.8%
Wholesale licenses..... [Repealed for taxes paid on or after July 1, 1998.]	409,282	0.0%	269,706	0.0%	810,346	0.0%	1,191,022	0.0%	1,056,984	0.0%
Use tax (see note).....	159,284,908	8.6%	156,488,014	8.9%	204,790,362	9.1%	231,558,987	9.4%	267,421,582	9.9%
<b>Total retail and use tax (licenses when applicable)</b>	<b>1,843,745,750</b>	<b>100.0%</b>	<b>1,766,429,691</b>	<b>100.0%</b>	<b>2,259,992,667</b>	<b>100.0%</b>	<b>2,468,337,897</b>	<b>100.0%</b>	<b>2,713,990,677</b>	<b>100.0%</b>

TABLE 33. - Continued

Business groups	Fiscal year									
	1994-1995		1995-1996		1996-1997		1997-1998		1998-1999	
	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total
<b>Retail:</b>										
Apparel.....	92,768,198	3.2%	95,450,439	3.1%	96,246,850	2.9%	100,886,318	2.9%	97,797,118	2.7%
<b>Automotive:</b>	161,916,368	5.5%	175,564,895	5.6%	179,432,550	5.4%	182,729,329	5.3%	194,445,894	5.4%
Motor vehicle dealers.....	24,794,511	0.8%	26,571,412	0.9%	27,656,981	0.8%	28,890,773	0.8%	30,580,041	0.9%
Airplanes, boats - (3%) rate.....	9,657,427	0.3%	11,112,787	0.4%	9,246,368	0.3%	11,130,350	0.3%	10,757,869	0.3%
Manufactured home (mobile home) dealers.....	915,889	0.0%	942,307	0.0%	872,889	0.0%	1,182,115	0.0%	1,433,685	0.0%
Manufactured home (mobile home)-(2%) rate.....	15,483,706	0.5%	16,748,017	0.5%	17,075,679	0.5%	17,368,139	0.5%	20,152,619	0.6%
[see notes for applicable rates]										
Modular home-(2% rate; 2.5% eff 1-1-04) .....	[included in mfd home group]		[included in mfd home group]		[included in mfd home group]		[included in mfd home group]		[included in mfd home group]	
Other automotive.....	111,064,835	3.8%	120,190,372	3.9%	124,580,633	3.8%	124,157,952	3.6%	131,521,680	3.7%
Food.....	662,838,679	22.7%	701,781,868	22.6%	715,500,403	21.7%	740,721,893	21.5%	672,949,487	18.7%
Furniture.....	120,967,820	4.1%	125,592,766	4.0%	134,629,117	4.1%	142,354,550	4.1%	152,953,893	4.3%
General merchandise.....	521,898,188	17.8%	578,134,287	18.6%	616,428,509	18.7%	625,352,352	18.2%	684,542,657	19.0%
Lumber and building material.....	283,387,255	9.7%	295,341,240	9.5%	329,716,424	10.0%	342,385,447	9.9%	379,355,975	10.5%
Utility services.....	307,728,433	10.5%	329,155,356	10.6%	338,718,853	10.3%	351,593,637	10.2%	366,961,469	10.2%
[includes liquor and satellite effective 2001-02]										
Unclassified.....	402,090,764	13.7%	501,794,371	16.1%	630,798,541	19.1%	693,807,982	20.1%	771,872,702	21.5%
Farm, mill, laundry machinery; fuel to farmers, manufacturers, laundries; other - 1%.....	44,376,737	1.5%	46,341,333	1.5%	50,320,348	1.5%	54,697,552	1.6%	52,009,309	1.4%
<b>Total retail.....</b>	<b>2,597,972,442</b>	<b>88.8%</b>	<b>2,849,156,555</b>	<b>91.6%</b>	<b>3,091,791,595</b>	<b>93.7%</b>	<b>3,234,529,060</b>	<b>93.9%</b>	<b>3,372,888,504</b>	<b>93.8%</b>
8% Highway use tax - motor vehicle leasing.....	25,272,634	0.9%	29,737,767	1.0%	32,388,443	1.0%	31,112,642	0.9%	35,398,039	1.0%
Wholesale licenses.....	1,120,985	0.0%	425,522	0.0%	1,025,185	0.0%	1,103,852	0.0%	20,557	0.0%
[Repealed for taxes paid on or after July 1, 1998.]										
Use tax (see note).....	300,062,300	10.3%	232,305,760	7.5%	173,143,800	5.2%	178,177,998	5.2%	187,927,990	5.2%
<b>Total retail and use tax (licenses when applicable)</b>	<b>2,924,428,360</b>	<b>100.0%</b>	<b>3,111,625,603</b>	<b>100.0%</b>	<b>3,298,349,023</b>	<b>100.0%</b>	<b>3,444,923,553</b>	<b>100.0%</b>	<b>3,596,235,091</b>	<b>100.0%</b>

TABLE 33 . - Continued

Business groups	Fiscal year									
	1999-2000		2000-2001		2001-2002		2002-2003		2003-2004	
	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total	Amount [\$]	% of total
<b>Retail:</b>										
Apparel.....	101,312,348	2.8%	103,360,801	2.8%	111,403,687	2.8%	117,690,127	2.7%	127,897,863	2.8%
<b>Automotive:</b>	199,762,787	5.5%	200,666,251	5.4%	208,599,593	5.2%	227,265,003	5.3%	245,227,323	5.3%
Motor vehicle dealers.....	30,114,110	0.8%	29,838,988	0.8%	32,029,558	0.8%	37,646,002	0.9%	39,596,595	0.9%
Airplanes, boats - (3%) rate.....	10,803,837	0.3%	10,816,022	0.3%	9,371,592	0.2%	9,659,261	0.2%	12,569,582	0.3%
Manufactured home (mobile home) dealers.....	1,583,215	0.0%	1,794,168	0.0%	2,703,611	0.1%	4,300,358	0.1%	3,705,412	0.1%
Manufactured home (mobile home)-(2%) rate.....	19,389,423	0.5%	15,764,953	0.4%	13,938,318	0.3%	10,035,961	0.2%	9,055,266	0.2%
[see notes for applicable rates]										
Modular home-(2% rate; 2.5% eff 1-1-04) .....	[included in mfd home group]		[included in mfd home group]		[included in mfd home group]		[included in mfd home group]		2,385,872	0.1%
Other automotive.....	137,872,202	3.8%	142,452,120	3.9%	150,556,514	3.8%	165,623,421	3.9%	177,914,596	3.8%
Food.....	524,284,128	14.5%	544,829,232	14.8%	592,373,707	14.8%	647,561,215	15.1%	698,906,710	15.1%
Furniture.....	154,258,498	4.3%	147,154,473	4.0%	152,256,737	3.8%	163,022,146	3.8%	168,784,595	3.7%
General merchandise.....	715,701,673	19.8%	739,689,728	20.0%	779,544,745	19.5%	836,211,296	19.5%	905,225,841	19.6%
Lumber and building material.....	402,377,626	11.1%	398,824,508	10.8%	417,621,545	10.5%	442,421,857	10.3%	509,484,600	11.0%
Utility services.....	375,669,973	10.4%	382,383,571	10.4%	502,420,816	12.6%	638,345,779	14.9%	645,652,114	14.0%
[includes liquor and satellite effective 2001-02]										
Unclassified.....	840,673,522	23.3%	879,966,505	23.8%	1,159,122,440	29.0%	1,145,217,411	26.7%	1,237,648,867	26.8%
Farm, mill, laundry machinery; fuel to farmers, manufacturers, laundries; other - 1%.....	54,188,149	1.5%	54,284,377	1.5%	44,467,748	1.1%	43,686,015	1.0%	43,196,807	0.9%
<b>Total retail.....</b>	<b>3,368,228,704</b>	<b>93.3%</b>	<b>3,451,159,446</b>	<b>93.5%</b>	<b>3,967,811,018</b>	<b>99.3%</b>	<b>4,261,420,849</b>	<b>99.3%</b>	<b>4,582,024,720</b>	<b>99.1%</b>
8% Highway use tax - motor vehicle leasing.....	31,320,520	0.9%	25,710,847	0.7%	26,196,182	0.7%	29,768,723	0.7%	40,780,642	0.9%
Wholesale licenses.....	-	-	-	-	-	-	-	-	-	-
[Repealed for taxes paid on or after July 1, 1998.]										
Use tax (see note).....	209,335,666	5.8%	213,868,145	5.8%	-	-	-	-	-	-
<b>Total retail and use tax (licenses when applicable)</b>	<b>3,608,884,890</b>	<b>100.0%</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>

Detail may not add to totals due to rounding.

**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 coded under a particular classification. For instance, the food category includes sales of all items sold by 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 sold by discount stores, wholesale buying clubs, and convenience stores are included in the general merchandise group - not the food group.

TABLE 33. - Continued

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

The furniture category includes all transactions (including accessories) by merchants coded as furniture dealers; furniture items sold by department stores, discount stores, flea markets, etc. included in 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 sales and use tax registration numbers.

Changes in general sales tax rate:

Effective July 16, 1991, the rate increased from 3% to 4%.

Effective October 16, 2001, the rate increased from 4% to 4.5%, and is scheduled to revert to the 4% rate effective July 1, 2005.

Use tax category:

Amounts shown for 1989-90 through 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, but are, instead, included within the attributable business group.

Automotive group, 8% Highway use tax - motor vehicle leasing:

1989-90 Effective August 1, 1989, the maximum tax applicable to aircraft, railway, etc. increased to \$1,500 but the \$300 limit was retained for motor vehicles.

Effective October 1, 1989, retail sales of motor vehicles became exempt from sales tax and, instead, became subject to the 3% rate of highway use tax under Article 5A of G.S. Chapter 105, with a minimum tax of \$40, with certain exceptions, and a maximum tax of \$1,000 on any one motor vehicle. Beginning with 1989-90, collections from retail sales of motor vehicles are not included in the table. Concurrently, lessors of motor vehicles were given the option of either paying the highway use tax on the purchase price of the vehicles to be leased or collecting and remitting sales tax on the lease receipts at a rate of 8% for the first 90 continuous days of vehicle rental to the same person; after 90 days the rate would revert to 3%. [See 8% Highway use tax-motor vehicle leasing classification for tax collections of the 8% rate.]

[See *North Carolina Highway Use Tax Collections* table for data relative to motor vehicle transactions.]

The rate applicable to sales of boats, aircraft, etc. increased from 2% to 3%; the rate applicable to sales of manufactured homes remained 2%.

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 G.S. 105-164.4(a)(8).

Twenty percent (20%) of the taxes collected under this statute are distributed to counties. G.S. 105-164.44G

[Prior to the law change, modular homes were taxed at the 2% State sales and use tax rate under G.S. 105-164.4(a)(1a).]

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 are taxable and subject to both the State and local rates under G.S. 105-164.13(50).]

Effective January 1, 2004, candy is exempt 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 G.S. 105-164.13(50).]

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.

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.