



North Carolina Department of Revenue

Beverly Eaves Perdue
Governor

Kenneth R. Lay
Secretary

October 12, 2010

Federal ID: [REDACTED]
Account ID: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

Attention: [REDACTED] Treasurer

Re: Private Letter Ruling

Dear Ms. [REDACTED]:

We have your letter dated May 26, 2010, in which you have requested a private letter ruling as to whether or not sales tax must be collected and remitted on sales made during your organization's annual book sale.

It is our understanding that since 1981 your organization has been conducting an annual book sale. During the three weekends following Labor Day your organization sells donated books at a building owned by your organization on [REDACTED] in [REDACTED]. Some textbooks and many collectibles are sold during these weekends along with thousands of other paperbacks and hardbacks. As your organization has grown, it has added lobby sales as an outlet for those items remaining after the annual sale as well as a book detailing the architecture of [REDACTED] which is published by your organization. Lobby sales are an ongoing year-round sales activity for which sales tax is collected and remitted.

N.C.G.S. 105-164.3(35) defines a retailer as a person engaged in the business of any of the following:

- a. Making sales at retail, offering to make sales at retail, or soliciting sales at retail of tangible personal property, digital property, or services for storage, use, or consumption in this State.

N.C.G.S. 105-164.4(a) imposes a privilege tax on a retailer's net taxable sales or gross receipts, as appropriate. Since your organization conducts retail sales of books on a year round basis, your organization is a retailer, as defined above, and is liable for collecting the State and applicable local rates of tax on its net taxable sales or gross receipts from the sale of its books.

This ruling is based solely on the facts submitted to the Department of Revenue for consideration of the transactions described. If the facts and circumstances given are not accurate, or if they change, then the taxpayer requesting this ruling may not rely on it. If a taxpayer relies on this ruling and the Department discovers, upon examination, that the fact situation of the taxpayer is different in any material aspect from the facts and circumstances given in this ruling, then the ruling will not afford the taxpayer any protection. It should be noted that this document is not to be cited as precedent and that a change in statute, a regulation, or case law could void this ruling.

Very truly yours,

[REDACTED]
Administration Officer
Sales and Use Tax Division

cc: [REDACTED], Director of Sales and Use Tax Division
[REDACTED], Assistant Director of Sales and Use Tax Division