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).

August 25, 2014