§ 105-164.13A. Service charges on food, beverages, or prepared food.

When a service charge is imposed on food, beverages, or prepared food, so much of the service charge that does not exceed twenty percent (20%) of the sales price is considered a tip and is specifically exempted from the tax imposed by this Article if it meets both of the following conditions:

(1) Is separately stated in the price list, menu, or written proposal and also in the invoice or bill.

(2) Is turned over to the personnel directly involved in the service of the food, beverages, or prepared food, in accordance with G.S. 95-25.6. (1979, c. 801, s. 76; 1979, 2nd Sess., c. 1101; 1999-438, s. 13; 2013-414, s. 11(b).)