

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

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**HOUSE BILL 975**

Short Title: No Sales Tax on Free Publications. (Public)

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Sponsors: Representatives Nesbitt, Blue, Morris (Primary Sponsors); Alexander, Cansler, Cole, Haire, Hilton, Redwine, Sherrill, Smith, Wainwright, and Walend.

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Referred to: Finance.

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April 5, 2001

A BILL TO BE ENTITLED

AN ACT TO EXEMPT FREE CIRCULATION PUBLICATIONS FROM THE SALES TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-164.13 is amended by adding a new subdivision to read:

"(39) Sales of paper, ink, and other tangible personal property to commercial printers and commercial publishers for use as ingredient or component parts of free circulation publications, and sales by printers of free circulation publications to the publishers of these publications. As used in this subdivision, the term "free circulation publications" means publications that meet each of the following conditions:

- a. Are published on a periodic basis at recurring intervals.
- b. Are mailed or are distributed house-to-house, by street distributors, in racks, or in any other manner at other locations without charge to the recipient.

The ratio of news to advertising in a publication is not a factor in determining whether the publication is a free circulation publication."

**SECTION 2.** This act becomes effective July 1, 2001, and applies to sales made on or after that date.