

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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HOUSE DRH60023-SCz-2A* (1/24)

Short Title: Streamlined Sales Tax Changes. (Public)

Sponsors: Representatives Luebke; G. Allen, Hill, Holliman, and Wainwright.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ADOPT THE STREAMLINED SALES TAX CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-163.3 is amended by adding the following new subdivisions to read:

"(8a) Drug. – A compound, substance, or preparation or a component of one of these that meets any of the following descriptions and is not food, a dietary supplement, or an alcoholic beverage:

a. Is recognized in the United States Pharmacopoeia, Homeopathic Pharmacopoeia of the United States, or National Formulary.

b. Is intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease.

c. Is intended to affect the structure or function of the body.

...

(25a) Over-the-counter drug. – A drug that can be dispensed under federal law without a prescription and is required by 21 C.F.R. § 210.66 to have a label containing a "Drug Facts" panel and a statement of its active ingredients."

SECTION 2. G.S. 106-164.3(29) reads as rewritten:

"(29) ~~Prescription drug. – A drug that under federal law is required, prior to being dispensed or delivered, to be labeled with the following statement: "Caution: Federal law prohibits dispensing without prescription".~~Prescription. – An order, formula, or recipe issued orally, in writing, electronically, or by another means of transmission by a physician, dentist, veterinarian, or another person licensed to prescribe drugs."

1 **SECTION 3.** G.S. 105-164.13(13) reads as rewritten:

2 "(13) All of the following drugs, including ~~the constituent elements and~~
3 ~~ingredients used to produce the drugs, the~~ their packaging materials,
4 materials and any instructions or information about the ~~product~~ drugs
5 included in the package with ~~the drugs;~~ them:

6 a. ~~Prescription drugs.~~ Drugs required by federal law to be
7 dispensed only on prescription.

8 b. ~~Nonprescription drugs sold on prescription of physicians,~~
9 ~~dentists, or veterinarians.~~ Over-the-counter drugs sold on
10 prescription.

11 c. Insulin."

12 **SECTION 4.** This act becomes effective July 1, 2003.