

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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SENATE BILL 1132

Short Title: Exempt Bakery Items From Sales Tax. (Public)

Sponsors: Senator Kinnaird.

Referred to: Finance.

May 18, 2004

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT PREPARED BAKERY ITEMS FROM STATE SALES TAX
3 WHEN SOLD WITHOUT EATING UTENSILS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-164.13B reads as rewritten:

6 "**§ 105-164.13B. Food exempt from tax.**

7 (a) State Exemption. – Food is exempt from the taxes imposed by this Article
8 unless the food is included in one of the subdivisions in this subsection. The following
9 food items are subject to tax:

10 (1) Alcoholic beverages, as defined in G.S. 105-113.68.

11 (2) Dietary supplements.

12 (3) Food sold through a vending machine.

13 (4) Prepared food.

14 (5) Soft drinks.

15 (6) (Repealed effective January 1, 2004) Candy, unless the item is
16 purchased for home consumption and would be exempt if purchased
17 under the Federal Food Stamp Program, 7 U.S.C. § 51.

18 (b) Administration of Local Food Tax. – The Secretary must administer local
19 sales and use taxes imposed on food as if they were imposed under this Article. This
20 applies to local taxes on food imposed under Subchapter VIII of this Chapter and under
21 Chapter 1096 of the 1967 Session Laws.

22 (c) Bakery Items Exempt. – Notwithstanding subdivision (a)(4) of this section,
23 bakery items sold without eating utensils provided by the retailer are exempt from the
24 taxes imposed by this Article."

25 **SECTION 2.** This act becomes effective January 1, 2005, and applies to
26 sales made on or after that date.