

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 1240  
Finance Committee Substitute Adopted 6/6/07

Short Title: Sales Tax Exemption for Baked Goods. (Public)

Sponsors:

Referred to:

March 26, 2007

A BILL TO BE ENTITLED

AN ACT TO ENSURE THAT ALL BREAD SOLD AT A BAKERY THRIFT STORE  
IS TAXED AT THE SAME SALES TAX RATE.

The General Assembly of North Carolina enacts:

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

"(27a) Bread, rolls, and buns sold at a bakery thrift store. A 'bakery thrift store' is a retail outlet of a bakery that sells at wholesale over ninety percent (90%) of the items it makes and sells at the retail outlet day-old bread, rolls, and buns returned to it by retailers that acquired these items from the bakery."

**SECTION 2.** G.S. 105-467(a) is amended by adding a new subdivision to  
read:

"(5a) The sales price of bread, rolls, and buns that are sold at a bakery thrift store and are exempt from State tax under G.S. 105-164.13(27a)."

**SECTION 3.** The first paragraph of Section 4 of Chapter 1096 of the 1967  
Session Laws, as amended, reads as rewritten:

"Sec. 4. Scope of Sales Tax. The sales tax which may be imposed under this division after the holding of a special election is limited to a tax at the rate of one per cent (1%) ~~of~~ of the transactions listed in this section. The taxes authorized by this division do not apply to sales that are taxable by the State under G.S. 105-164.4 but are not specifically listed in this section. (1) the

(1) The sale price of those articles of tangible personal property now subject to the general rate of sales tax imposed by the State under G.S. 105-164.4(a)(1) and (4b);(2) the

(2) The gross receipts derived from the lease or rental of tangible personal property when the lease or rental of the property is subject to the general rate of sales tax imposed by the State under G.S. 105-164.4(a)(2); (3) the G.S. 105-164.4(a)(2).

- 1           (3)    The gross receipts derived from the rental of any room or lodging  
2                    furnished by any hotel, motel, inn, tourist camp or other similar public  
3                    accommodations now subject to the general rate of sales tax imposed  
4                    by the State under ~~G.S. 105-164.4(a)(3); (4) the G.S. 105-164.4(a)(3).~~  
5            (4)    The gross receipts derived from services rendered by laundries, dry  
6                    cleaners, cleaning plants and similar type businesses now subject to the  
7                    general rate of sales tax imposed by the State under  
8                    ~~G.S. 105-164.4(a)(4); (5) G.S. 106-164.4(a)(4).~~  
9            (5)    The sales price of food and other items that are not otherwise exempt  
10                    from tax pursuant to G.S.105-164.13 but are exempt from the State  
11                    sales and use tax pursuant to G.S.105-164.13B. ~~The taxes authorized~~  
12                    ~~by this division do not apply to sales that are taxable by the State under~~  
13                    ~~G.S. 105-164.4 but are not specifically listed in this section; and (6)~~  
14            (5a)   The sales price of bread, rolls, and buns that are sold at a bakery thrift  
15                    store and are exempt from State tax under G.S. 105-164.13(27a).  
16            (6)    The sales price of prepaid telephone calling service taxed as tangible  
17                    personal property under G.S. 105-164.4(a)(4d)."

18            **SECTION 4.** This act becomes effective October 1, 2007, and applies to  
19    sales made on or after that date.