GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2007

S SENATE BILL 281

Short Title:	Exemption for Baked Goods.	(Public)
Sponsors:	Senators Atwater and Lucas.	
Referred to:	Finance.	
	February 22, 2007	
	A BILL TO BE ENTITLED	
AN ACT TO	D EXEMPT BAKED GOODS FROM STATE SALES AND USE	TAXES.
The General	Assembly of North Carolina enacts:	
SI	ECTION 1. G.S. 105-164.3 reads as rewritten:	
"§ 105-164.3	3. Definitions.	
The follo	owing definitions apply in this Article:	
(1)	√	
	provision of a telecommunications service. The term include	
	communications billing, directory assistance, vertical ser	
	voice mail service. A vertical service is a service, suc	
	forwarding, caller ID, three-way calling, and conference brid	~ ~
	allows a customer to identify a caller or manage multiple cal	is and call
(1.	connections.	. Lianuita
<u>(1:</u>		
	bagels, croissants, pastries, donuts, danish, cakes, tortes, pastries, bars, cookies, and tortillas.	nes, tarts,
(1a	(1b) Business. – Includes any activity engaged in by any	narcon or
(1a	caused to be engaged in by him with the object of gain, pro-	•
	or advantage, either direct or indirect. The term "business" sl	
	construed in this Article to include occasional and isolate	
	transactions by a person who does not hold himself out as e	
	business.	ingaged in
<u>(1</u>)	b)(1c) Cable service. – The one-way transmission to subscriber	s of video
	programming or other programming service and any	
	interaction required to select or use the service.	
•••	"	
SI	ECTION 2. G.S. 105-164.13B reads as rewritten:	

"§ 105-164.13B. Food exempt from tax.

- State Exemption. Food is exempt from the taxes imposed by this Article 1 2 unless the food is included in one of the subdivisions in this subsection. The following 3 food items are subject to tax: 4 Repealed by Session Laws 2005-276, s. 33.10, effective October 1, (1) 5 2005. 6 (2) Dietary supplements. 7 (3) Food sold through a vending machine. 8 (4) Prepared food.food, other than baked goods sold without eating 9 utensils provided by the seller. 10 (5) Soft drinks. 11 (6) Repealed by Session Laws 2003-284, s. 45.6B, effective January 1, 12 2004.
 - (7) Candy.

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- (b) Administration of Local Food Tax. The Secretary must administer local sales and use taxes imposed on food as if they were imposed under this Article. This applies to local taxes on food imposed under Subchapter VIII of this Chapter and under Chapter 1096 of the 1967 Session Laws."
- **SECTION 3.** This act becomes effective on July 1, 2007, and applies to sales made on or after that date.