

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

H.B. 1233  
May 27, 2014  
HOUSE PRINCIPAL CLERK

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HOUSE DRH40217-MC-223 (03/03)

Short Title: Cemetary Sales Tax Exemption.

(Public)

Sponsors: Representatives Samuelson and Glazier (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE A SALES TAX REFUND FOR CERTAIN CEMETERIES.  
3 The General Assembly of North Carolina enacts:

4 SECTION 1. G.S. 105-164.14(b) is amended by adding a new subdivision to read:  
5 "§ 105-164.14. Certain refunds authorized.

6 ...  
7 (b) Nonprofit Entities and Hospital Drugs. – A nonprofit entity is allowed a semiannual  
8 refund of sales and use taxes paid by it under this Article on direct purchases of tangible  
9 personal property and services, other than electricity, telecommunications service, and ancillary  
10 service, for use in carrying on the work of the nonprofit entity. Sales and use tax liability  
11 indirectly incurred by a nonprofit entity through reimbursement to an authorized person of the  
12 entity for the purchase of tangible personal property and services, other than electricity,  
13 telecommunications service, and ancillary service, for use in carrying on the work of the  
14 nonprofit entity is considered a direct purchase by the entity. Sales and use tax liability  
15 indirectly incurred by a nonprofit entity on building materials, supplies, fixtures, and equipment  
16 that become a part of or annexed to any building or structure that is owned or leased by the  
17 nonprofit entity and is being erected, altered, or repaired for use by the nonprofit entity for  
18 carrying on its nonprofit activities is considered a sales or use tax liability incurred on direct  
19 purchases by the nonprofit entity. A request for a refund must be in writing and must include  
20 any information and documentation required by the Secretary. A request for a refund for the  
21 first six months of a calendar year is due the following October 15; a request for a refund for  
22 the second six months of a calendar year is due the following April 15. The aggregate annual  
23 refund amount allowed an entity under this subsection for a fiscal year may not exceed  
24 thirty-one million seven hundred thousand dollars (\$31,700,000).

25 The refunds allowed under this subsection do not apply to an entity that is owned and  
26 controlled by the United States or to an entity that is owned or controlled by the State and is not  
27 listed in this subsection. A hospital that is not listed in this subsection is allowed a semiannual  
28 refund of sales and use taxes paid by it on over-the-counter drugs purchased for use in carrying  
29 out its work. The following nonprofit entities are allowed a refund under this subsection:

30 ...  
31 (6) A nonprofit cemetery company that is exempt from income tax under  
32 Section 501(c)(13) of the Code."

33 SECTION 2. This act becomes effective July 1, 2014, and applies to sales made on  
34 or after that date.

