



**Sales and Use Tax Division  
North Carolina Department of Revenue  
Post Office Box 25000  
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[www.ncdor.gov](http://www.ncdor.gov)**

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**IMPORTANT NOTICE: FUNERAL HOME RETAILER**

**Effective March 1, 2016**, administrative rule 17 NCAC 07B .3601, Funeral Expenses, was repealed as a result of legislation enacted by the General Assembly that invalidated part of the rule. Charges by a person engaged in business as a funeral home retailer for the following continue to be exempt from sales and use tax, provided the charges are separately stated and identified on the invoice or other documentation given to the purchaser at the time of the sale. The list is not all-inclusive.

- Funeral director services
- Embalming
- Dressing
- Cosmetizing
- Casketing
- Use of facilities
- Tent at the grave site
- Chairs at the funeral service
- Family car
- Ambulance service
- Cemetery lots
- Death certificates
- Beautician and barber services
- Cremation
- Transport fee
- Dig a grave for placement of a vault, casket, or other tangible personal property for burial of remains
- Lower or place a vault or casket for burial of remains
- Place an urn in a crypt or columbarium for burial of remains

**Effective March 1, 2016**, charges by a retailer to a purchaser to place a memorial stone, monument, grave marker, or similar item are part of the "sales price" of the item sold at retail and are subject to the general 4.75% State, applicable local (2.00% or 2.25%), and applicable transit (0.50%) rates of sales and use tax, no matter that the charges to place a memorial stone, monument, grave marker, or similar item may be separately stated by the retailer. The exemption for separately stated installation charges was repealed as of March 1, 2016 and is discussed in more detail in the [Important Notice: Repeal of Installation Charges Exemption](#), issued by the Department on January 11, 2016, and is available on the Department's website.

**Technical Reference**

Sales and Use Tax Technical Bulletin Section 22 will be updated by the Department to reflect the repeal of the exemption for installation charges discussed herein.

**Assistance**

General questions regarding this notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).

*To the extent that there is any change in the rate of tax, statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance regarding sales and use tax issued prior to the date of this notice conflicts with this important notice, the provisions contained in this important notice supersede.*