



**Sales and Use Tax Division
North Carolina Department of Revenue
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www.ncdor.gov**

**IMPORTANT NOTICE: SALES AND USE TAX TECHNICAL BULLETINS
AND MARCH 1, 2016 TAX CHANGES**

This notice contains a list of topics covered in the Sales and Use Tax Technical Bulletins for which the taxability may change effective March 1, 2016. The topics indicated as “Taxable” may not be subject to or are partially subject to sales and use tax prior to March 1, 2016. The information herein is intended to be instructive and should not be interpreted as specific tax advice. The facts and circumstances of a particular transaction may alter the application of the sales and use tax statutes to the transaction. The information is not all-inclusive.

For topics indicated as Taxable with an asterisk (Taxable*) in the columns, refer to [Directive SD-16-1: Retail Trade](#) for more detailed information. Topics indicated as “Taxable*” may be retail sales on or after March 1, 2016 based on the classification of the person who performs the activity. A person engaged in “retail trade” on or after March 1, 2016 is a retailer and must treat all sales transactions as retail sales even though the person may install or apply tangible personal property that becomes part of or affixed to real property. A retailer in retail trade is liable for sales or use tax on the sales price of the items or services sold at retail, unless the retailer maintains proper records to establish a sale is exempt from sales and use tax. A person who meets the definition of “retail trade” cannot operate as a “real property contractor” as defined in N.C. Gen. Stat. § 105-164.3.

For topics indicated as “Taxable” in the **Retail Sale and Installation** column, refer to the [Important Notice: Repeal of Installation Charges Exemption](#) for more detailed information.

For topics indicated as “Taxable” in the **Repair, Maintenance, and Installation Services** column, refer to [Directive SD-16-2: Repair, Maintenance, and Installation Services](#) for more detailed information. A person, who is one or more of the following, is not a retailer; therefore such person should disregard topics indicated as “Taxable” or “Taxable*” except as in the capacity as a consumer in the **Repair, Maintenance, and Installation Services** column:

1. A person that **solely** operates as a real property contractor.
2. A person whose **only** business activity is providing repair, maintenance, and installation services where the person's activities do not otherwise meet the definition of a retail trade.

The table includes hyperlinks to other important notices as indicated by blue underlined text.

Topics	Sales and Use Tax Technical Bulletin Section	<u>Retail Sale and Installation</u>	<u>Repair, Maintenance, and Installation Services</u>
Receipts from Bookbinding	7-15 A.		Taxable
Installation of Video Programming Service – Part of Gross Receipts	20-1 C.3.c.	Taxable	
Installation, Repair, or Maintenance of Tangible Personal Property by Video Programming Service Providers	20-1 C.3.c.	Taxable	Taxable
Installation of Telecommunications Service – Part of Gross Receipts	21-1 J.1.b.(7)	Taxable	

Topics	Sales and Use Tax Technical Bulletin Section	<u>Retail Sale and Installation</u>	<u>Repair, Maintenance, and Installation Services</u>
Installation, Repair, or Maintenance of Tangible Personal Property by Telecommunications Service Providers	21-1 J.1.b.(7)	Taxable	Taxable
Installation of a Memorial Stone, Monument, Grave Marker, or Similar Item	22-1 A.2. (eff. 1/1/2006); 22-3	Taxable*	
Shoe Repairmen Labor or Services Rendered	25-2 B.	<u>Taxable; See Important Notice.</u>	Taxable
Watch, Clock, and Jewelry Repairmen Labor or Services Rendered	25-3 B.	<u>Taxable; See Important Notice.</u>	Taxable
Tire Repairs (patches, plugs, etc.)	26-2		Taxable
Tire Recapping or Retreading Labor or Services Rendered	26-3 B.	<u>Taxable; See Important Notice.</u>	Taxable
Tires - Mounting and Balancing	26-5		Taxable
Road Service Fees	26-6 A.	Taxable	Taxable
Contractors, Subcontractors and Retailer-Contractors	31-1	Taxable*	Taxable*
Installation of Carpet	31-2 C.	Taxable*	Taxable*
Plumbing, Heating, Air Conditioning and Electrical Contractors	31-3	Taxable*	Taxable*
Rug Cleaning Services Performed at the Customer's Location	33-1 B.4.		Taxable
Clothing Repair or Alteration Charges	33-1 C.; 33-7	Taxable	Taxable
Installation of Tangible Personal Property by Laundries or Dry Cleaning Plants	33-1 E.	Taxable	Taxable
Rug Reinstallation Charges	33-9	Taxable	Taxable
Installation of Water Treatment Systems	34-16 B.2.	Taxable*	Taxable*
Car Washes, Detailing, Cleaning and Similar Businesses	34-19		<u>Taxable; See Important Notice.</u>
Installation of Accessories Mounted on Motor Vehicles	35-3	Taxable	Taxable
Installation of Tangible Personal Property Upon or in Motor Vehicles	35-7 A.; 35-7 D.	Taxable	Taxable
Painting and Refinishing Motor Vehicles, Sale of Repair Items	35-7 E.	Taxable	<u>Taxable; See Important Notice.</u>

Topics	Sales and Use Tax Technical Bulletin Section	<u>Retail Sale and Installation</u>	<u>Repair, Maintenance, and Installation Services</u>
Detailing Motor Vehicles	35-7 F.		<u>Taxable; See Important Notice.</u>
Installation of Parts and Accessories For Boats	35-8 A.3.a.	Taxable	Taxable
Installation of Parts and Accessories For Boat Trailers	35-8 B.2.	Taxable	Taxable
Installation of Parts or Accessories Sold Separate From Manufactured Homes	35-10 C.2.	Taxable*	Taxable*
Installation of Modular Homes	35-13 C.	Taxable*	Taxable*
Lubricating Services for Motor Vehicles	36-1		<u>Taxable; See Important Notice.</u>
Labor, Parts, and Materials for an After-Warranty Adjustment	41-1C	Taxable	Taxable*
Installation of Fabricated Articles	41-2 A.2.	Taxable	Taxable*
Installation Labor	41-2 B.	Taxable	Taxable*
Installation of Cabinets to Real Property	41-3 A.	Taxable*	Taxable*
Installation of Made-to-Order Signs	41-4 A.	Taxable*	Taxable*
Painting Signs on Real Property	41-4 B.	Taxable*	Taxable*
Painting Signs on Tangible Personal Property	41-4 B.		Taxable
Installation of Repair or Alteration Parts	41-5 A.	Taxable	Taxable
Clothing Repair or Alteration Charges	41-6	Taxable	Taxable
Labor or Services Rendered in Reupholstering	41-7	Taxable	Taxable
Receipts derived from Laminating Tangible Personal Property	41-8		Taxable
Reloading Bullet or Shell Casings	41-9	Taxable	
Recharging Fire Extinguishers	41-10	Taxable	Taxable

Assistance

All publications referenced in this notice are available on the Department's website, www.ncdor.gov. 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 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.