



**Sales and Use Tax Division  
North Carolina Department of Revenue  
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**IMPORTANT NOTICE: EXEMPTION FOR PACKAGING ITEMS FOR FOOD AND PREPARED FOOD UNDER A PREPAID MEAL PLAN**

On July 11, 2016, the Governor signed Session Laws 2016-92. The Session Laws amend the language in N.C. Gen. Stat. § 105-164.13(63) effective July 11, 2016. As amended, the sale at retail, and the use, storage, and consumption in this State on or after July 11, 2016, of the following are exempt from sales and use tax: "[f]ood and prepared food to be provided to a person entitled to the food and prepared food under a prepaid meal plan subject to tax under G.S. 105-164.4(a)(12). This exemption applies to packaging items including wrapping paper, labels, plastic bags, cartons, packages and containers, paper cups, napkins and drinking straws, and like articles that meet all of the following requirements:

- a. Used for packaging, shipment, or delivery of the food and prepared food.
- b. Constitute a part of the sale of the food and prepared food.
- c. Delivered with the food and prepared food."

The exemption in N.C. Gen. Stat. § 105-164.13(63), as originally enacted, did not provide an exemption from sales and use tax for packaging items provided to a person under a prepaid meal plan.

**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 there is any change in the rate or amount of tax, change to a 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or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided.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.*