



**Sales and Use Tax Division
North Carolina Department of Revenue
Post Office Box 25000
Raleigh, North Carolina 27640-0001
www.dornc.com**

IMPORTANT NOTICE: INTERNET TAX FREEDOM ACT EXTENDED

The Consolidated Appropriations Act, 2016 ("Act"), was signed by President Barack Obama on December 18, 2015. The Act includes a provision that extends the Internet Tax Freedom Act ("ITFA") until October 1, 2016.

North Carolina does not impose a sales and use tax on receipts derived from providing Internet access service. The gross receipts derived from providing telecommunications service to Internet service providers for use in providing Internet access continue to be exempt from sales and use tax. The Department will continue to monitor the status of the ITFA and will provide additional information in the event there are changes that will affect the guidance in this notice.

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or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided.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.