

TABLE 36. - Continued

Data are by-product data compiled during the processing of reports and remittances filed by taxpayers required to register for, collect, and remit sales and use taxes, and are classified according to sales and use tax registration numbers.

Changes in general sales tax rate: Effective July 16, 1991, the rate increased from 3% to 4%. Effective October 16, 2001, the rate increased from 4% to 4.5%, and is scheduled to revert to the 4% rate effective July 1, 2007.

Other use tax category: Amounts shown for 1990-91 through 2000-01 reflect use taxes generated from sales of manufactured homes; airplanes and boats are included in this category for 1990-91 through 1994-95. Effective for 1995-96, use taxes collected on airplane and boat transactions are no longer shown separately, but are, instead, included within the attributable county of collection. Effective for 2001-02, use taxes generated from manufactured home transactions are included within the attributable county of collection.

Changes in sales tax rate applicable to purchases of food for home consumption:

Effective January 1, 1997, the State rate applicable to food purchased for home consumption was reduced from 4% to 3%.

Effective July 1, 1998, the State rate applicable to food purchased for home consumption was reduced from 3% to 2%.

Effective May 1, 1999, the 2% State rate applicable to food purchased for home consumption was repealed.

Effective July 1, 2003, all sales of soft drinks (fountain, those sold for home consumption, and vending) were made subject to both the State and local rates. [Prior to this date, soft drinks sold for home consumption were not taxable at the State level.] [Effective January 1, 2004, sales of closed container soft drinks sold through vending machines were made subject to a partial exemption; only fifty percent (50%) of the sales price of closed container soft drinks sold through vending machines are taxable and subject to both the State and local rates under G.S. 105-164.13(50).]

Effective January 1, 2004, candy is exempt from the State tax and subject to only the 2% local tax. [Candy sold through vending machines is taxed at fifty percent (50%) of the sales price and is subject to both the State and local rates under G.S. 105-164.13(50).]

[Effective October 1, 2005, all sales of candy are subject to the combined State and local tax rate; taxation of candy sold through vending machines remains unchanged.]

Utility services group:

Effective August 1, 1996, sales of electricity and piped natural gas to farmers, manufacturers, and commercial laundries and dry cleaners for prescribed purposes were made subject to a 2.83% rate rather than 3%.

Effective July 1, 1999, sales of piped natural gas became exempt from sales tax and, instead, became subject to the piped natural gas excise tax.

Effective December 1, 2001, sales of spirituous liquor, other than mixed beverages, became subject to a 6% State sales and use tax. Mixed beverages were already subject to State and local sales and use taxes and were unaffected by the law change. [Effective October 1, 2005, the rate will increase from 6% to the combined general rate of 7%.]

Effective January 1, 2002, gross receipts of direct-to-home satellite service to subscribers in this State became subject to a 5% State sales tax. Effective January 1, 2002, gross receipts derived from providing telecommunications services became subject to a 6% State sales and use tax. Prior to the law change, local telecommunications services were subject to a 3% State sales tax rate and a 3.22% utility franchise tax rate; intrastate long distance calls were taxed at 6.5% and interstate long distance calls were exempt. Telecommunications services include local, interstate, intrastate, toll, private telecommunications, and mobile telecommunications services.

[Effective October 1, 2005, the sales and use tax imposed on the gross receipts of providing telecommunications and direct-to-home satellite services increased to the combined general rate of 7%; voice mail services became taxable as part of telecommunications services.]

[Effective January 1, 2006, the combined general rate of 7% sales and use tax was imposed on the gross receipts of providing cable services; gross receipts derived from providing satellite digital audio radio service is taxable being subject to both the State general rate of tax and local rates.]

Unallocated:

2001-02 The *unallocated* category includes \$74,989,019 in payments that were unassignable to specific counties due to legislative changes affecting payment and return due dates.

