





TABLE 37A. -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 the business classification code assigned during the sales and use tax business registration process.

†This series reports retail taxable sales instead of gross retail sales (taxable and nontaxable sales) reported in the *Statistical Abstract* 2004 through 2006 editions. In fiscal year 2005-06, the Streamlined Sales Tax Agreement required a change in information reporting requirements such that not all taxpayers report gross retail sales.

Amounts shown are taxable sales computed from tax remittances reported on sales and use tax returns filed during the period July 1 through June 30 of a given year by merchants. Taxable retail sales derived from utility services are not tabulated by county and are not included. Beginning midway during the 2001-02 fiscal year, taxable sales computed from use tax generated from the general State rate are included in retail taxable sales amounts.

Prior to 2001-02, taxable sales were not computed on reported use tax and are not included in retail taxable sales amounts.

**Changes in general sales tax rate:**

Effective **October 16, 2001**, the rate increased from 4% to 4.5%; effective **December 1, 2006**, the rate decreased to 4.25%; effective **October 1, 2008**, the rate increased to 4.5%; effective **September 1, 2009**, the rate increased from 4.5% to 5.5%; effective **October 1, 2009**, the rate increased to 5.75%; effective **July 1, 2011**, the State general rate decreased from 5.75% to 4.75% as result of the expiration of a temporary additional 1% State sales and use tax rate that had been in effect since September 1, 2009.

**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Effective **May 1, 1999**, the 2% State rate applicable to food purchased for home consumption was repealed.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 is taxable and subject to both the State and local rates under § 105-164.13(50). Effective January 1, 2004, candy was exempted 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 § 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).

Effective **October 1, 2007**, bakery thrift store sales of breads, rolls, and buns became exempt from the State sales tax.

Effective **January 1, 2009**, bakery items sold without eating utensils by an artisan bakery were exempted from the State sales tax.

Effective **July 1, 2014**, the State general rate applies to the retail sale of breads, rolls, and buns at a bakery thrift store.

**Changes in State 1% and 3% rates in 2005-06:**

Effective **January 1, 2006**, sales of railway cars, locomotives, and mobile classrooms and offices became taxable at the general State rate and applicable local rates (previously taxed at the State 3% rate with a \$1,500 maximum tax per article).

Various farm items and fuel used for farming and commercial laundry operations were exempted from taxation (previously taxed at the 1% State sales tax rate). Additionally, various types of machinery (farm, telephone company property, laundry, freezer plant, and broadcasting) and various types of equipment (tobacco, air courier, and flight training) along with farm storage facilities and farm containers were exempted from the 1% State rate with an \$80 maximum tax per article.

Concurrently, manufacturing machinery and fuel and qualifying recycling facility equipment were exempted from the State sales tax and made subject to the new privilege tax levied under Article 5F (refer to Table 45).

Effective **July 1, 2006**, sales of certain commercial logging machinery and related attachments, repair parts, lubricants, and fuel used to operate logging machinery were exempted from taxation (items were previously subject to the 1% sales or use tax or 1% privilege tax as appropriate.)

**Changes in State 2% and 2.5% rates in 2003-04 and 2013-14:**

Effective **January 1, 2014**, the State general rate applies to the sales price (fifty percent [50%] of the sales price effective **September 1, 2014**) of each manufactured or modular home sold at retail, including all accessories attached to the home when delivered to the purchaser (previously, manufactured homes were subject to a preferential 2% State tax rate with a \$300 maximum tax per section; modular homes were subject to a preferential 2.5% State tax rate effective January 1, 2004 through December 31, 2013 (prior to January 1, 2004, modular homes received similar tax treatment as manufactured homes).

**Unallocated:**

Fiscal year 2001-02 does not include retail taxable sales computed on \$74,989,019 in payments that were unassignable to specific counties due to legislative changes affecting payment and return due dates.