



North Carolina Department of Revenue

Beverly Eaves Perdue  
Governor

David W. Hoyle  
Secretary

February 15, 2012

Account ID: [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

Attention: [REDACTED]

Re: Private Letter Ruling

Dear Ms. [REDACTED]

We have your letter dated October 26, 2011, in which you have inquired whether your firm's purchase of QR codes are subject to North Carolina sales and use tax.

You advise that your firm is a full-service advertising agency which has a client who wants to use QR codes in their advertising. Your firm purchases the QR code from a company, and the code appears in a newspaper or magazine ad your firm places for the client. The company that sells your firm the QR code also charges "to analyze how many hits the QR code receives while placed."

N.C. Gen. Stat. 105-164.4(a) imposes a sales tax on sales and purchases of tangible personal property, and certain digital property and services. Based on the information provided, your firm's purchases of QR codes are not subject to this State's sales or use tax.

This ruling is based solely on the facts submitted to the Department of Revenue for consideration of the transactions described. If the facts and circumstances given are not accurate, or if they change, then the taxpayer requesting this ruling may not rely on it. If a taxpayer relies on this ruling and the Department discovers, upon examination, that the fact situation of the taxpayer is different in any material aspect from the facts and circumstances given in this ruling, then the ruling will not afford the taxpayer any protection. It should be noted that this document is not to be cited as precedent and that a change in statute, a regulation, or case law could void this ruling.

If you have any questions, you may reach me at the number listed below.

Very truly yours,

[REDACTED]  
Administration Officer  
Sales and Use Tax Division

[REDACTED]

cc: [REDACTED], Director of Sales and Use Tax Division