



North Carolina Department of Revenue

Beverly Eaves Perdue
Governor

David W. Hoyle
Secretary

April 11, 2012

Account ID: [REDACTED]
Federal ID: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

Attention: [REDACTED]

Re: Private Letter Ruling Request

Dear Mr. [REDACTED]

We have your letters dated December 20, 2011 and January 23, 2012, in which you request a ruling from the Department regarding your firm's North Carolina sales and use tax liability for a particular transaction.

You have advised that your firm is a medical device company focused on bringing solutions [REDACTED] [REDACTED]. [REDACTED] offers a reprocessing service where customers (hospitals and clinics) send their used medical [REDACTED] to be cleaned, decontaminated, reconditioned, tested, packaged, labeled, and sterilized in accordance with all applicable [REDACTED] regulations so that the [REDACTED] can be used a second time. Once the services are performed, the [REDACTED] are sent back to the hospital or clinic for use. At no time does [REDACTED] take ownership of the [REDACTED] being serviced. These services are performed outside the state of North Carolina and the [REDACTED] are shipped to the sterilization facility and back to the customer via a third party delivery service."

N.C. Gen. Stat. § 105-164.4 imposes a sales tax on the sales price of tangible personal property, certain digital property, and specified services sold at retail in this State. Based on the information provided, the fees your firm charges for the reprocessing services described above are not subject to North Carolina sales and 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