



North Carolina Department of Revenue

Beverly Eaves Perdue
Governor

David W. Hoyle
Secretary

September 13, 2012

FID: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Attention: [REDACTED], Member

Dear Mr. [REDACTED]

We have your June 17, 2011 letter in which you request a ruling from the Department regarding the taxability of videography depositions used in legal proceedings.

You state that "[REDACTED] hires videographers to record pre-trial discovery depositions." The "videotapes are not used for entertainment value" but are "used by defendant or plaintiff attorneys in preparation for legal proceedings, or for display to jurors during a trial." Your firm's "interpretation of the law is that legal services are generally not sales taxable. As such, the videotaping of pre-trial discovery depositions and the related tape provided to attorneys should not be sales taxable."

Fees charged by your firm to defendant or plaintiff attorneys for pre-trial discovery depositions for use in preparation for legal proceedings or for display to jurors during a trial do not represent retail sales of taxable tangible personal property or taxable services and your firm is not liable for collecting sales tax on such fees. If, however, your firm sells a copy of such pre-trial discovery deposition video tapes for use other than in conjunction with the related judicial proceeding, such transaction represents a taxable retail sale of tangible personal property and your firm is liable for collecting and remitting the general State and applicable local rates of sales tax to this Department on the sales price of the product.

This letter 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 letter 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 letter ruling, the letter ruling will not afford the taxpayer any protection. It should be noted that this letter ruling is not to be cited as precedent and that a change in statute, a regulation, or case law could void this ruling.

Very truly yours,

[REDACTED]
Administration Officer
Sales and Use Tax Division

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