

NORTH CAROLINA GENERAL ASSEMBLY
1979 SESSION

CHAPTER 1099
SENATE BILL 955

AN ACT TO CLARIFY THE SALES TAX EXEMPTION FOR CERTAIN EXPORTS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.13(33), as it appears in 1979 Replacement Volume 2D of the General Statutes is rewritten to read:

"(33) Tangible personal property purchased solely for the purpose of export to a foreign country for exclusive use or consumption in that or some other foreign country, either in the direct performance or rendition of professional or commercial services, or in the direct conduct or operation of a trade or business, all of which purposes are actually consummated, or purchased by the government of a foreign country for export which purpose is actually consummated. 'Export' shall include the acts of possessing and marshalling such property, by either the seller or the purchaser, for transportation to a foreign country, but shall not include devoting such property to any other use in North Carolina or the United States. 'Foreign country' shall not include any territory or possession of the United States.

In order to qualify for this exemption, an affidavit of export indicating compliance with the terms and conditions of this exemption, as prescribed by the Secretary of Revenue, must be submitted by the purchaser to the seller, and retained by the seller to evidence qualification for the exemption.

If the purposes qualifying the property for exemption are not consummated, the purchaser shall be liable for the tax which was avoided by the execution of the aforesaid affidavit as well as for applicable penalties and interest and the affidavit shall contain express provision that the purchaser has recognized and assumed such liability.

The principal purpose of this exemption is to encourage the flow of commerce through North Carolina ports that is now moving through out-of-State ports.

However, it is not intended that property acquired for personal use or consumption by the purchaser, including gifts, shall be exempt hereunder."

Sec. 2. This act shall become effective October 1, 1980, but shall not affect any transaction before such date.

In the General Assembly read three times and ratified, this the 17th day of June, 1980.