

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 56

Short Title: Sales Tax/Ad Agencies.

(Public)

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Sponsors: Representative Lilley.

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Referred to: Finance.

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January 23, 1989

A BILL TO BE ENTITLED

1 AN ACT TO MAKE ADVERTISING AGENCIES LIABLE FOR SALES TAX ON  
2 ALL ITEMS PURCHASED BY THEM AND TO EXCLUDE ITEMS PRODUCED  
3 BY ADVERTISING AGENCIES FROM SALES TAX, THEREBY ENSURING  
4 THAT ADVERTISING SERVICES ARE NOT SUBJECT TO SALES TAX.  
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6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 105-164.3(3) reads as rewritten:

8 "(3) 'Consumer' shall mean and include every person storing, using or otherwise  
9 consuming in this State tangible personal property purchased or received from a retailer  
10 either within or without this State. An advertising agency is considered the consumer of  
11 all tangible personal property it purchases."

12 Sec. 2. G.S. 105-164.13 is amended by adding a new subdivision to read:

13 "(41) Sales of tangible personal property by an advertising agency to a client in  
14 connection with advertising services provided to the client by the agency. This  
15 subdivision does not exempt tangible personal property used or consumed by an  
16 advertising agency from the taxes imposed by this Article."

17 Sec. 3. This act shall become effective July 1, 1989, and applies to sales  
18 made on or after that date.