



2023-2024 General Assembly

HOUSE BILL 259: 2023 Appropriations Act, Sec. 42.10: Sales Tax Exemption for Continuing Care Retirement Communities

Committee:
Introduced by:
Analysis of: Sec. 42.10 of S.L. 2023-134

Date: November 29, 2023
Prepared by: Trina Griffin
Staff Attorney

OVERVIEW: *Section 42.10 of S.L. 2023-134 prospectively exempts from sales tax goods and services, other than alcoholic beverages, sold by a provider of continuing care to its independent living residents. The exemption does not apply to sales of alcoholic beverages, and a provider of continuing care must pay sales and use tax on the purchase price of an item that is exempt under this provision.*

This section became effective for goods and services sold on or after November 1, 2023.

CURRENT LAW: North Carolina law imposes a sales tax on most goods and services, including prepared food, laundry, medical supplies, over-the-counter medicines, and certain home maintenance services. The tax is imposed regardless of who provides the goods and services unless the law provides a specific entity-based exemption. For purposes of North Carolina's sales tax law, a continuing care retirement community (CCRC) falls within the definition of retailer except for when it provides certain goods or services as part of healthcare services provided to its member-patients at a medical facility.

BILL ANALYSIS: This section prospectively exempts from sales tax goods and services, other than alcoholic beverages, sold by a provider of continuing care to its independent living residents. The exemption does not apply to sales of alcoholic beverages, and a provider of continuing care must pay sales and use tax on the purchase price of an item that is exempt under this provision.

EFFECTIVE DATE: This section became effective for sales or purchases on or after November 1, 2023.

Jeffrey Hudson
Director



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Legislative Analysis
Division
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