



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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