



**Sales and Use Tax Division  
North Carolina Department of Revenue  
Post Office Box 25000  
Raleigh, North Carolina 27640-0001  
[www.dornc.com](http://www.dornc.com)**

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**IMPORTANT NOTICE: SALES OF NEWSPAPERS**

**Effective January 1, 2014**, sales of newspapers at retail by newspaper street vendors and by newspaper carriers making door-to-door deliveries are subject to the 4.75% general State and applicable local and transit rates of sales and use taxes. Effective January 1, 2014, sales of newspapers through a coin-operated vending machine are subject to the tax on 50% of the sales price at the 4.75% general State and applicable local and transit rates of sales and use taxes. N.C. Gen. Stat. § 105-164.13(28) which provides an exemption from sales and use tax for the sale at retail and the use, storage, or consumption in this State of newspapers by newspaper street vendors, by newspaper carriers making door-to-door deliveries, and by means of vending machines is repealed effective January 1, 2014. Newspaper subscriptions delivered through the mail or in similar manner continue to be subject to the 4.75% general State and applicable local and transit rates of sales and use tax.

**Retailer to Collect and Remit Sales and Use Tax**

N.C. Gen. Stat. § 105-164.3(35) defines the term "[r]etailer," in part, as "[a] person engaged in the business of . . . [m]aking sales at retail, offering to make sales at retail, or soliciting sales at retail of . . . services for storage, use, or consumption in this State. When the Secretary finds it necessary for the efficient administration of [Sales and Use Tax] to regard any sales representatives, solicitors, representatives, consignees, peddlers, or truckers as agents of the dealers, distributors, consignors, supervisors, employers, or persons under whom they operate or from whom they obtain the items sold by them regardless of whether they are making sales on their own behalf or on behalf of these dealers, distributors, consignors, supervisors, employers, or persons, the Secretary may so regard them and may regard the dealers, distributors, consignors, supervisors, employers, or persons as 'retailers' for the purpose of [Sales and Use Tax]. . . ."

Any agreement between a newspaper publisher and an independent contractor should assist in identifying the retailer of a newspaper for newspapers sold on the street, delivered door-to-door, or sold through a vending machine. The retailer of a newspaper sold at retail is the person responsible for collection and remittance of the 4.75% general State and applicable local and transit rates of sales and use tax.

**Sales Price of Newspaper Subject to Tax**

N.C. Gen. Stat. § 105-164.3(37) defines "[s]ales price," in part, as "[t]he total amount or consideration for which tangible personal property . . . [is] sold. . . . The consideration may be in the form of cash, credit, property, or services. The sales price must be valued in money, regardless of whether it is received in money. . . ." The term "sales price" includes

the retailer's cost of property sold, the cost of materials used, labor or service costs, interest, losses, all costs of transportation to the retailer, all taxes imposed on the retailer, any other expense of the retailer, charges by the retailer for any services necessary to complete the sale, delivery charges, installation charges, credit for trade-in, and discounts that are reimbursable by a third party and can be determined at the time of sale and documented in the manner required by N.C. Gen. Stat. § 105-164.3(37).

### **Purchases of Newspapers for Resale at Retail**

A retailer who is engaged in the business of selling newspapers at retail in this State and who purchases newspapers for the purpose of resale, shall furnish to its vendors as the vendor's authority for not collecting the sales and use tax Form E-595E, Streamlined Sales and Use Tax Agreement Certificate of Exemption, or other information or documentation as provided in N.C. Gen. Stat. § 105-164.28 as amended effective August 23, 2013. A vendor that fails to obtain and retain such documentation is liable for sales and use tax on the sales price of such items.

### **Tax Rates and Sourcing of Local Taxes**

The general State, local and transit sales and use tax rates applicable to the sales price of newspapers are 6.75% in seventy-four (74) counties; 7.00% in Alexander, Buncombe, Cabarrus, Catawba, Cumberland, Duplin, Edgecombe, Greene, Halifax, Haywood, Hertford, Lee, Martin, Montgomery, New Hanover, Onslow, Pitt, Randolph, Robeson, Rowan, Sampson, Surry, and Wilkes Counties; 7.25% in Mecklenburg County; and 7.50% in Durham and Orange Counties.

A retailer who makes sales of newspapers in more than one county through delivery, vending machines or sales on the street is required to collect the applicable rate of local and transit rates of sales and use tax. Additionally, for any retailer that collects tax for more than one county, such retailer must complete Form E-536, Schedule of County Sales and Use Taxes, and submit it along with the Form E-500, Sales and Use Tax Return or enter the information at the time of filing an electronic return. Form E-536 or the electronic information should reflect the amount of local and transit tax collected for each county by a retailer.

### **Registration**

A retailer required to collect the 4.75% general State and applicable local and transit rates of sales tax on the sales price of newspapers sold at retail in this State to who is not currently registered with the Department for sales and use tax purposes and has not received a Certificate of Registration, should complete Form NC-BR, Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Machinery and Equipment Tax, to obtain a certificate of registration. Both an online business registration portal and a web-fill version of Form NC-BR are available at the Department's website, [www.dornnc.com](http://www.dornnc.com). There is no fee required to register and obtain a Certificate of Registration.

### **Assistance**

Questions about this notice can be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).