Sales and Use Tax Division
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LIST OF ITEMS EXEMPT DURING THE AUGUST SALES TAX HOLIDAY

G.S. 105-164.13C authorizes a sales tax holiday in North Carolina. Sales and use taxes do not apply to the following items of tangible personal property that are sold between 12:01 A.M. on the first Friday of August and 11:59 P.M. the following Sunday:

1. Clothing with a sales price of one hundred dollars ($100.00) or less per item.

"Clothing" is defined as all human wearing apparel suitable for general use including coats, jackets, hats, hosiery, scarves, and shoes. The items listed below are included in the term and are therefore exempt from tax during the sales tax holiday period if the sales price of the item is $100 or less. This list is not all-inclusive.

Aprons, household and shop
Athletic supporters
Baby receiving blankets
Bandannas
Bathing suits and caps; beach capes and coats
Belts and suspenders
Boots; overshoes
Coats, jackets, capes, and wraps
Costumes (does not include costume masks sold separately)
Diapers (children and adults, including disposables)
Earmuffs; gloves and mittens for general use; hats and caps; hosiery; scarves
Formal wear (does not include rentals)
Garters and garter belts; girdles; leotards and tights; panty hose; socks; stockings and footlets; underwear
Insoles for shoes
Jogging suits
Lab coats
Neckties
Rainwear
Rubber pants
Sandals; shoes and shoelaces; slippers; sneakers; steel-toed shoes
Uniforms (athletic and nonathletic uniforms when purchased for nonbusiness use)
Wedding apparel (does not include rentals)

2. Sport or recreational equipment with a sales price of fifty dollars ($50.00) or less per item.

"Sport or recreational equipment" is defined as items designed for human use and worn in conjunction with an athletic or recreational activity that are not suitable for general use. The items listed below are included in the term and are therefore exempt from tax during the holiday period if the sales price of the item is $50 or less. This list is not all-inclusive.

Ballet and tap shoes
Cleated or spiked athletic shoes
Gloves (baseball, bowling, boxing, hockey, golf, and other sports)

Goggles
Hand and elbow guards
Helmets (bicycle, skating, baseball, and other sports)
Life preservers and vests
Mouth guards
Roller and ice skates
Shin guards
Shoulder pads
Ski boots
Waders, wetsuits, and fins

3. Computers, including tablet computers and netbooks, with a sales price of three thousand five hundred dollars ($3,500) or less per item.

A "computer" is an electronic device that accepts information in digital or similar form and manipulates it for a result based on a sequence of instructions. For purposes of the exemption during the sales tax holiday, a computer includes a central processing unit, monitor, keyboard, mouse, and speakers since these items are deemed to be necessary in the operation of the computer.

The separate sale of a monitor, keyboard, mouse, or speakers is subject to the applicable tax when the item is not sold in conjunction with a central processing unit. Peripherals are not considered part of a computer and are subject to the applicable tax notwithstanding that they may be sold with the computer as a package. Peripherals must be separately stated on the invoice and the appropriate tax charged on those items.

An eReader, is not a computer and is, therefore, taxable.

4. Computer supplies with a sales price of two hundred fifty dollars ($250.00) or less per item.

A "computer supply" is an item commonly used by a student in a course of study in which a computer is used. The items listed below are included in the term and are therefore exempt from tax during the holiday period if the sales price of the item is $250 or less. <u>This list is all-inclusive.</u>

Computer storage media, including diskettes and compact disks
Handheld electronic schedulers, except devices that are cellular phones
Personal digital assistants, except devices that are cellular phones
Computer printers
Printer supplies for computers, including printer paper and printer ink

5. School supplies with a sales price of one hundred dollars ($100.00) or less per item.

A "school supply" is an item commonly used by a student in a course of study; the term includes school art supplies and school instructional materials. The items listed below are included in the term and are therefore exempt from tax during the holiday period if the sales price of the item is $100 or less. <u>This list is all-inclusive.</u>

Binders
Blackboard chalk
Book bags
Calculators
Cellophane tape
Clay and glazes
Compasses
Composition books
Crayons
Erasers
Folders (expandable, pocket, plastic, and manila)
Glue, paste, and paste sticks
Highlighters
Index card boxes
Index cards

Legal pads
Lunch boxes
Markers
Notebooks
Paintbrushes for artwork
Paints (acrylic, tempora, and oil)
Paper (loose leaf ruled notebook paper, copy paper, graph paper, tracing paper, manila paper, colored paper, poster board, and construction paper)
Pencil boxes and other school supply boxes
Pencil sharpeners
Pencils (includes pencil leads)
Pens (includes pen refills)
Protractors
Rulers
Scissors
Sketch and drawing pads
Watercolors
Writing tablets

6. **School instructional materials with a sales price of three hundred dollars ($300.00) or less per item.**

"School instructional material" is written material commonly used by a student in a course of study as a reference and to learn the subject being taught. The term is mutually exclusive of the terms "school supply" and "computer supply." The items listed below are included in the term and are therefore exempt from tax during the holiday period if the sales price of the item is $300 or less per item. (Prior to the 2008 holiday, these items were categorized as "school supplies" and were exempt during the holiday period if the sales price of the item was $100 or less per item.) <u>This list is all-inclusive.</u>

Reference books
Reference maps and globes
Textbooks
Workbooks

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ITEMS OR TRANSACTIONS THAT DO NOT QUALIFY FOR EXEMPTION DURING THE AUGUST SALES TAX HOLIDAY

G.S. 105-164.13C(b) provides the sales tax exemption allowed during the sales tax holiday does not apply to the following items:

1. **Sales of clothing accessories or equipment.**
2. **Sales of protective equipment.**
3. **Sales of furniture.**
4. **Sales of an item for use in a trade or business.**
5. **Rentals.**