

17 NCAC 07B .0904 PUBLIC RELATIONS FIRMS

(a) Rendering Professional Services. -- For purposes of G.S. 105-164.4, charges by a public relations firm to plan and conduct a public relations program that requires it to conduct research, opinion polls and surveys, compile data, perform analysis, and present a written, oral, or electronic report of its findings to its client, are not subject to sales or use tax.

(b) Purchases in Rendering Professional Services. -- Purchases by a public relations firm shall be subject to sales and use tax, pursuant to G.S. 105-164.4, on the purchase price of any item, as the term item is defined in G.S. 105-164.3, sourced to this State, and purchased for use in rendering professional services or carrying out the goals or objectives of the plan or concept.

(c) Making Retail Sales. -- Pursuant to G.S. 105-164.4, retail sales by public relations firms of taxable items are subject to sales or use tax. Taxable items sold by public relations firms include tangible personal property and certain digital property produced, fabricated, purchased, or acquired by the public relations firm and sold to its client and delivered to the client or to others on behalf of its client. Taxable items sold by public relations firms also include repair, maintenance, and installation services. The sales price of an item includes fees charged for costs directly involved in the production of the item and charges specifically associated with the fabrication, manufacture, or delivery of the item, such as charges for commissions, supervision, research, transportation charges, postage, telephone and electronic messages, copying, models' fees, stage props, printing, printing plates, films, positives, negatives, transparencies, and color separations even though the firm may separately state such charges on the invoice, similar billing document, or in the firm's records.

*History Note: Authority G.S. 105-164.3; 105-164.4; 105-164.4B; 105-164.6; 105-262; 105-264; 105-467; 105-468; 105-469; 105-483; 105-498; 105-507.2; 105-509.1; 105-510.1; 105-511.3; 105-537; 105-538;
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