

**17 NCAC 07B .1701      GOVERNMENTAL SALES AND PURCHASES**

(b) **Taxable Sales by Governmental Entities.** -- A governmental entity, including a State agency that sells items at retail is a retailer. A governmental entity that is a retailer shall register with the Department, in accordance with 17 NCAC 07B .0104, and report, collect, and remit sales and use tax due on retail sales. The annual refund for certain governmental entities, as provided by G.S. 105-164.14(c), does not apply to the tax due on retail sales made by a governmental entity. Governmental entities registered with the Department may purchase items for resale without paying sales tax to the seller by providing a completed Certificate of Exemption in accordance with 17 NCAC 07B .0106.

*History Note: Authority G.S. 105-164.3; 105-164.4; 105-164.6; 105-164.13; 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;  
Eff. February 1, 1976;  
Amended Eff. October 1, 2009; August 1, 1998; August 1, 1996; October 1, 1993; October 1, 1991; May 1, 1990; February 1, 1987;  
Readopted Eff. January 1, 2024.*