

17 NCAC 07B .3107 PRODUCTION COMPANIES

(a) For purposes of G.S. 105-164.13, purchases by a production company, as defined in G.S. 105-164.3, of items including cameras, machinery, equipment, film, and props or building materials used in the construction of sets are purchased for use, not resale, except as provided in Paragraph (b) of this Rule. These items are also not mill machinery, or mill machinery parts or accessories.

(b) Pursuant to G.S. 105-164.13, purchases of film by a production company that becomes an ingredient or a component part of release prints that are actually produced and sold, leased, or rented to its customers are exempt from sales and use tax. Purchases of chemicals used to develop release prints for sale, lease, or rental that become an ingredient or a component part of the release prints are exempt from sales and use tax.

*History Note: Authority G.S. 105-164.3; 105-164.13; 105-262; 105-264;
Eff. June 1, 1992;
Amended Eff. October 1, 2009; October 1, 1993;
Readopted Eff. January 1, 2024.*