

17 NCAC 07B .3907 DEPOSITS FOR REUSABLE CONTAINERS

(a) Pursuant to G.S. 105-164.13(47), deposits charged by a retailer or wholesale merchant for a beverage container that is returnable to the retailer or wholesale merchant for reuse when the amount charged is refundable or creditable to the purchaser are not subject to sales and use tax, whether or not the deposit is separately stated on the invoice or similar billing document.

(b) Deposits charged by a retailer or wholesale merchant for reusable containers, other than beverage containers, are subject to sales and use tax, pursuant to G.S. 105-164.4, when the purchaser of the property packaged within a reusable container exercises control over the container as is ordinarily associated with ownership, while the container is in their possession. Such amounts are a part of the sales price even though designated as a deposit for the containers.

(c) When a retailer or wholesale merchant retains title to reusable containers and the right to control the use the purchaser makes of the containers, the containers are not considered to be a part of the sale of the property packaged within the reusable container. In such cases, amounts charged to the purchasers as security for the return of the containers are not subject to sales and use tax, pursuant to G.S. 105-164.13(23), if such charges are shown separately from the sales price of the property on the invoice or similar billing document given to the purchaser at the time of sale. If such amounts are not separately stated on the invoice or similar billing document given to the purchaser at the time of sale, the total charge is subject to sales and use tax.

History Note: Authority G.S. 105-164.3; 105-164.4; 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. August 1, 2002; January 1, 1982; July 5, 1980; Readopted Eff. January 1, 2024.