

17 NCAC 07B .2205 CATERING

(a) Catering is the retail sale of food, prepared food, beverages, and other tangible personal property or services at a location designated by the customer or another person. A person engaged in the catering business, including a personal chef that provides and prepares food for consumers, is a retailer. A location may include the caterer's banquet facility, a hotel, a restaurant, the customer's home, or any other location. All charges connected with the furnishing, preparing or serving of food, prepared food, beverages, and other tangible personal property or services to consumers are part of the sales price subject to sales and use tax, pursuant to G.S. 105-164.4.

(b) Charges for services, including bartending or carving services, connected with the sale of catered food or drink are part of the sales price subject to sales tax, pursuant to G.S. 105-164.4, even if the charges for the services are separately stated on an invoice or similar billing document. Separately stated bartending charges, including corkage fees, for service of beverages owned or provided by the caterer's customer are not part of the sales price subject to sales tax under G.S. 105-164.4.

(c) Charges for a venue by a caterer that are connected with the furnishing, preparing, and serving food or drink are part of the sales price subject to sales and use tax, pursuant to G.S. 105-164.4, even if the charges are separately stated on the invoice or similar billing document.

(d) Charges by a caterer for chairs, linens, tables, flatware, and similar items used to provide catering are subject to sales and use tax, pursuant to G.S. 105-164.4, even if the charges are separately stated on the invoice or similar billing document. In addition, a caterer shall pay sales and use tax on the purchase price of such items as they are not resold to their customers.

(e) Charges for nontaxable services that are not a part of the sales price and are not connected with the furnishing, preparing, or serving of food, prepared food, beverages, and other tangible personal property are not subject to sales tax, pursuant to G.S. 105-164.4, provided the charges are separately stated on the invoice or similar billing document given to the customer at the time of the sale and in the catering business' records; otherwise, the non-separately stated charges are part of the sales price and is subject to sales tax under G.S. 105-164.4.

History Note: *Authority* G.S. 105-164.3; 105-164.4; 105-164.4L; 105-164.6; 105-164.22; 105-262; 106-264; 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. May 1, 2009; October 1, 1993; October 1, 1991; July 5, 1980;
Readopted Eff. January 1, 2024.