

SECTION 14 - DENTISTS, DENTAL LABORATORIES AND DENTAL SUPPLY HOUSES**14-1 SALES TO DENTISTS AND ORTHODONTISTS**

Dentists and orthodontists are deemed to be the users or consumers of tangible personal property which they purchase for use in rendering professional services. Sales of tangible personal property to dentists and orthodontists, including dental supplies, furnishings, and other property, such as materials which dentists fabricate into false teeth, are subject to the general rate of State tax and any applicable local sales or use tax with the exception of false teeth and other prosthetic devices and prescription drugs which are specifically exempt from tax. The term “**false teeth**” includes dentures and artificial restoration of teeth; however, the exemption for prosthetic devices such as false teeth does not apply to sales of materials to dentists which they use in fabricating false teeth. The term “**prosthetic devices**” includes headgear, bows, neckstraps, wires, bands, brackets, rubber bands and jackscrews when such items are purchased by orthodontists to be assembled into various types of appliances to be worn on the person of the owner or user and other orthopedic appliances when the same are designed to be worn on the person of the owner or user.

Some instruments and equipment may be classified as “**durable medical equipment**” which is exempt from sales and use tax only when sold on prescription. However, since these items are not acquired by the users pursuant to a prescription, the exemption would not apply.

History Note: Authority G.S. 105-164.4; 105-164.6; 105-164.13; 105-264;
Issued: June 1, 1996;
Revised: February 1, 2007; February 1, 2004; June 1, 2002;
October 1, 1999.

14-2 SALES TO DENTAL LABORATORIES

- A. Sales to dental laboratories of tangible personal property which becomes a component part of false teeth, dentures or artificial restoration of teeth being fabricated by such laboratories are not subject to sales or use tax.
- B. Sales to dental laboratories of tangible personal property which does not become a component part of false teeth, or which is not used directly in the fabricating of false teeth are subject to the general rate of State tax and any applicable local sales or use tax.
- C. Purchases by dental laboratories of machinery and equipment, and accessories thereto for use directly in the fabricating of false teeth are subject to the 1% privilege tax with a maximum tax of \$80.00 per article. Purchases by contractors and subcontractors purchasing such machinery and equipment or parts and accessories thereto for use by them in the performance of contracts with dental laboratories and purchases by subcontractors of such machinery and equipment or parts and accessories thereto for use by them in the performance of contracts encompassed in such contracts with dental laboratories are subject to the 1% privilege tax with a maximum tax of \$80.00 per article where applicable when the machinery and equipment or parts and accessories thereto are used by such dental laboratories directly in the fabricating of false teeth. Contractors and subcontractors may obtain the **Streamlined Sales and Use Tax Agreement Certificate of Exemption, Form E-595E**, from the Taxpayer Assistance Division, North Carolina Department of Revenue, to be executed by them and furnished to their vendors in connection with such purchases as the vendor's authority to exempt the purchase from sales and use tax.

Note: For additional information regarding the 1% privilege tax, refer to Section 56 of the Sales and Use Tax Technical Bulletins.

History Note: Authority G.S. 105-164.4; 105-164.6; 105-164.13; 105-187.50;
105-187.51; 105-187.51A; 105-187.51B; 105-187.52; 105-264;
Issued: June 1, 1996;
Revised: February 1, 2007; July 1, 2005; June 1, 2002.

14-3 DENTAL SUPPLY HOUSES

Dental supply houses making taxable sales are required to register with the Department and collect and remit the tax on such sales.

History Note: Authority G.S. 105-164.4; 105-164.6; 105-264;
Issued: June 1, 1996.

14-4 DENTISTS - BUNDLED TRANSACTIONS

If certain taxable and exempt medical products are sold together for one non-itemized price, the transaction may be considered a “**bundled transaction**” and subject to specific taxability rules. For additional information on bundled transactions, refer to Sales and Use Tax Technical Bulletin 34-25.

History Note: Authority G.S. 105-164.3; 105-164.4D; 105-264;
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