

**SECTION 15 - EYEGLASSES, CONTACT LENS, OPHTHALMIC INSTRUMENTS AND SUPPLIES,
OPHTHALMOLOGISTS, OPTOMETRISTS AND OPTICIANS****15-1 EYEGLASSES, EYEGLASS FRAMES AND SUPPLIES****A. Eyeglasses on Prescription**

Sales of eyeglasses ground on prescription of ophthalmologists, optometrists or opticians, including frames as an integral part thereof, are exempt from sales and use tax as prosthetic devices under G.S. 105-164.13(12)a.

B. Eyeglass Frames and Repair Parts

Eyeglass frames sold in connection with the repair or replacement of eyeglasses ground on prescription of physicians, oculists, or optometrists are not subject to the tax. Sales of temples and similar items that are considered repair or replacement parts for prosthetic devices are also exempt from sales and use tax.

C. Taxable Optical Supplies

1. All sales to users or consumers of eyeglass frames not for use in connection with eyeglasses ground on prescription, sunglasses not ground on prescription, solutions for cleaning eyeglasses, telescopes, binoculars, opera glasses, and similar items, by whomsoever made, are subject to the general rate of State tax and any applicable local sales or use tax. All persons, including ophthalmologists, optometrists and opticians, making taxable sales are required to register as retail merchants and to collect and remit the tax due thereon.
2. Sales of eyeglass frames, cases, optical merchandise and optical supplies by optical supply houses and opticians to registered merchants, including ophthalmologists and optometrists, for resale are not subject to the tax.

History Note: Authority G.S. 105-164.4; 105-164.5; 105-164.6; 105-164.13;
105-264;
Issued: June 1, 1996;
Revised: February 1, 2007; February 1, 2004; June 1, 2002.

15-2 CONTACT LENS AND SUPPLIES**A. Contact Lens on Prescription**

Sales of contact lens, pursuant to a prescription of ophthalmologists, optometrists or opticians are exempt from sales and use tax. When carrying cases, patient instruction booklets, patient care kits, aseptors, salt tablets, lens solution and squeeze bottles are sold with contact lens and are included in the price of the contact lens, they are also exempt from tax.

B. Supplies Sold or Billed Separate and Apart From Contact Lens

The North Carolina General Statutes contain no authority for exempting sales of aseptors, salt tablets, squeeze bottles, carrying cases, patient instruction booklets and patient care kits when such sales are made separate and apart from a prescription lens sale or when they are sold with prescription contact lens but billed separate and apart from the contact lens. Therefore, the aforementioned items would be subject to the general rate of State tax and any applicable local

sales or use tax. Contact lens solution is considered an over-the-counter drug as defined in G.S. 105-164.3(25a) and is exempt from tax when sold on prescription.

History Note: Authority G.S. 105-164.4; 105-164.6; 105-164.13; 105-264;
Issued: June 1, 1996;
Revised: April 1, 2008; February 1, 2007; June 1, 2002.

15-3 OPHTHALMIC INSTRUMENTS AND SUPPLIES

Sales of ophthalmic instruments and supplies to ophthalmologists, optometrists, opticians and other users are subject to the general rate of State tax and any applicable local sales or use tax. Some instruments may be classified as “durable medical equipment” which is exempt from 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. 105-164.3; 105-164.4; 105-164.6; 105-264;
Issued: June 1, 1996;
Revised: February 1, 2007; June 1, 2002.

15-4 OPHTHALMOLOGISTS, OPTOMETRISTS AND OPTICIANS – BUNDLED TRANSACTIONS

If certain taxable and exempt medical products are sold together for non-itemized price, the transaction may constitute a “**bundled transaction**” and be 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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