



**Sales and Use Tax Division
North Carolina Department of Revenue
Post Office Box 25000
Raleigh, North Carolina 27640-0001
www.dornc.com**

**IMPORTANT NOTICE:
NEWSPAPERS THROUGH A COIN-OPERATED VENDING MACHINE**

The total sales price of a newspaper sold at retail through a coin-operated vending machine on or after October 1, 2014 is subject to the 4.75% general State and applicable local and transit rates of sales and use tax. **Effective October 1, 2014**, N.C. Gen. Stat. § 105-164.13(50) as amended, no longer exempts fifty percent (50%) of the sales price of a newspaper sold through a coin-operated vending machine.

See the [Important Notice: Sales of Newspapers \(December 23, 2013\)](#) available on the Department's website for additional information regarding the application of sales and use tax to the sale of a newspaper through a coin-operated vending machine prior to October 1, 2014 and other general information applicable to sales of newspapers.

Tax Rates and Sourcing of Local Taxes

For a sale of a newspaper through a coin-operated vending machine made on or after October 1, 2014, the applicable general State, local and transit rates of sales and use tax are 6.75% in seventy-two (72) counties; 7.00% in Alexander, Buncombe, Cabarrus, Catawba, Cumberland, Davidson, Duplin, Edgecombe, Greene, Halifax, Haywood, Harnett, Hertford, Lee, Martin, Montgomery, New Hanover, Onslow, Pitt, Randolph, Robeson, Rowan, Sampson, Surry, and Wilkes Counties; 7.25% in Mecklenburg County; and 7.50% in Durham and Orange Counties. The North Carolina county where a vending machine is physically located determines the applicable rate of sales and use tax due on the sales price of the newspaper.

A retailer may divide the sales price of a newspaper sold through a coin-operated vending machine by 100% plus the applicable general State, local, and transit rates of tax based on the local jurisdiction where the sale is sourced to determine the taxable sales price reportable on the sales and use tax return. For example, a newspaper sold at retail through a coin-operated vending machine in a county where the total rate of tax is 6.75%, the retailer may divide the total amount by 106.75% to arrive at the taxable sales price to be reported on Form E-500, Sales and Use Tax Return. If a newspaper is sold at retail for \$2.00 through a coin-operated vending machine that does not separately calculate the sales and use tax in a county subject to the 6.75% rate of sales and use tax, the taxable sales price of the newspaper is \$1.87 ($\$2.00/1.0675$) and the applicable tax is \$0.13 ($\1.87×0.0675).

Assistance

General questions regarding this notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).