

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**HOUSE BILL 677**

Short Title: Reduce Sales Tax on Funerals.

(Public)

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Sponsors: Representatives Rayfield; Adams, B. Allen, Barbee, Barnhart, Blackwood, Blust, Bowie, Culp, Cunningham, Daughtridge, Daughtry, Eddins, Farmer-Butterfield, Gillespie, Gulley, Hilton, Howard, Hunter, Jeffus, L. Johnson, Jones, LaRoque, Lewis, McAllister, McCombs, McGee, McHenry, McMahan, Miller, Mitchell, Moore, Parmon, Preston, Ray, Rhodes, Ross, Sauls, Setzer, Sexton, Stam, Starnes, Stiller, Wainwright, Walend, Walker, K. Williams, C. Wilson, G. Wilson, Womble, and Wright.

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Referred to: Finance.

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March 26, 2003

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE SALES AND USE TAX ON FUNERAL EXPENSES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-164.13(18) reads as rewritten:

**"§ 105-164.13. Retail sales and use tax.**

The sale at retail, the use, storage or consumption in this State of the following tangible personal property is specifically exempted from the tax imposed by this Article:

...

(18) Funeral expenses, including coffins and caskets, not to exceed ~~one two~~ thousand five hundred dollars ~~(\$1,500); (\$2,500)~~. All other funeral expenses, including gross receipts for services rendered, ~~shall be~~ are taxable at the general rate of tax set in G.S. 105-164.4. However, "services rendered" ~~shall~~ does not include those services ~~which that~~ have been taxed pursuant to G.S. 105-164.4(4), or ~~to~~ those services performed by any beautician, cosmetologist, hairdresser or barber employed by or at the specific direction of the family or personal representative of a ~~deceased; and~~ deceased. In addition, "funeral expenses" and "services rendered" ~~shall~~ do not include death certificates procured by or at the specific direction of the family or personal representative of a deceased. ~~Where~~ When coffins, ~~easkets~~ caskets, or vaults are purchased direct and a separate charge is paid for

1                   services, the provisions of this subdivision shall apply to the total for  
2                   both."

3                   **SECTION 2.** This act becomes effective July 1, 2003, and applies to sales  
4                   made on or after that date.