

**ATTN: NON PROFITS/CHURCHS – SALES TAX REFUND CLAIMS:**

**NORTH CAROLINA DECREASES SALES AND USE TAX RATE EFFECTIVE 07/01/2011**

Effective July 1, 2011, North Carolina's general sales and use tax rate will decrease to 4.75%. The rate – previously 5.75% - applies to sales and purchases of tangible personal property, certain digital property and certain services. Local tax rates still apply and should be added to the new rate to determine the combined tax rate. Effective July 1, 2011, gross receipts derived from providing telecommunications service, ancillary service, and video programming in state and sales of spirituous liquor (other than mixed beverages) are subject to a combined general rate of 7% for transactions in North Carolina. Taxpayers filing Sales and Use Tax Returns should use the 4.75% rate on existing returns. Taxpayers filing a Utility and Liquor Sales and Use Tax Return should report the tax liability on existing returns. New returns are not being printed until 4th Quarter. (Important Notice: State Sales and Use Tax Rate Decrease Effective July 1, 2011, North Carolina Department of Revenue, June 16, 2011) (06/30/2011)