

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 894

Short Title: Exempt Certain Drugs for Animals. (Public)

Sponsors: Senators Rabon, Kinnaird; Davis and Harrington.

Referred to: Agriculture/Environment/Natural Resources.

May 24, 2012

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT FROM SALES TAX THE SALE OF MEDICINE AND DEVICES
3 SOLD ON PRESCRIPTION BY VETERINARIANS FOR THE TREATMENT OF
4 ANIMALS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-164.3 is amended by adding a new Subdivision to read:

7 "**§ 105-164.3. Definitions.**

8 The following definitions apply in this Article:

9 ...

10 (20a) Medicine. – Remedies, tonics for internal use, vaccines, vitamins, ointments,
11 liniments, antiseptics, and other medications having preventive and curative
12 properties in the prevention, treatment, or cure of disease in animals."

13 **SECTION 2.** G.S. 105-164.13(13) is amended by adding a new sub-subdivision to
14 read:

15 "**§ 105-164.13. Retail sales and use tax.**

16 The sale at retail and the use, storage, or consumption in this State of the following tangible
17 personal property, digital property, and services are specifically exempted from the tax imposed
18 by this Article:

19 ...

20 (13) All of the following drugs, including their packaging materials and any
21 instructions or information about the drugs included in the package with
22 them:

- 23 a. Drugs required by federal law to be dispensed only on prescription.
24 b. Over-the-counter drugs sold on prescription.
25 c. Insulin.
26 d. Medicine sold on prescription by veterinarians and devices, as
27 defined by section 201(h) of the Federal Food, Drug, and Cosmetic
28 Act, 21 U.S.C. § 321, sold on prescription by veterinarians. For
29 purposes of this subdivision, prescription pet food and animal
30 feed is not exempt from the tax imposed by this Article."

31 **SECTION 3.** This act becomes effective July 1, 2012, and applies to sales made on
32 or after that date.

