

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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SENATE DRS65040-SCz-2* (1/24)

Short Title: Streamlined Sales Tax Changes. (Public)

Sponsors: Senators Kerr; Clodfelter, Dalton, Hartsell, and Hoyle.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ADOPT THE STREAMLINED SALES TAX CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-163.3 is amended by adding the following new subdivisions to read:

"(8a) Drug. – A compound, substance, or preparation or a component of one of these that meets any of the following descriptions and is not food, a dietary supplement, or an alcoholic beverage:

- a. Is recognized in the United States Pharmacopoeia, Homeopathic Pharmacopoeia of the United States, or National Formulary.
- b. Is intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease.
- c. Is intended to affect the structure or function of the body.

...

(25a) Over-the-counter drug. – A drug that can be dispensed under federal law without a prescription and is required by 21 C.F.R. § 210.66 to have a label containing a "Drug Facts" panel and a statement of its active ingredients."

SECTION 2. G.S. 106-164.3(29) reads as rewritten:

"(29) ~~Prescription drug. – A drug that under federal law is required, prior to being dispensed or delivered, to be labeled with the following statement: "Caution: Federal law prohibits dispensing without prescription".~~Prescription. – An order, formula, or recipe issued orally, in writing, electronically, or by another means of transmission by a physician, dentist, veterinarian, or another person licensed to prescribe drugs."

1 **SECTION 3.** G.S. 105-164.13(13) reads as rewritten:

2 "(13) All of the following drugs, including ~~the constituent elements and~~
3 ~~ingredients used to produce the drugs, the~~ their packaging materials,
4 materials and any instructions or information about the ~~product~~ drugs
5 included in the package with ~~the drugs;~~ them:

6 a. ~~Prescription drugs.~~ Drugs required by federal law to be
7 dispensed only on prescription.

8 b. ~~Nonprescription drugs sold on prescription of physicians,~~
9 ~~dentists, or veterinarians.~~ Over-the-counter drugs sold on
10 prescription.

11 c. Insulin."

12 **SECTION 4.** This act becomes effective July 1, 2003.