

Sales/Use/Indirect:

North Carolina: Facilitation of Money Deposits for Telecom's Customers is Not Taxable Prepaid Wireless Calling Services

Admin. Hearing Nos. 22 REV 02662; 22 REV 02663, N.C. Off. of Admin. Hrgs. (5/9/23). In a case involving an in-state authorized dealer for a prepaid wireless service provider and whether its actions in facilitating the deposit of money into the customer accounts of the wireless service provider are taxable under North Carolina law, an administrative law judge with the North Carolina Office of Administrative Hearings held that such actions do *not* constitute the taxable sale of prepaid wireless calling services as defined in N.C. Gen. Stat. § 105-164.3(27a) because, among other reasons, these real time replenishments (“RTRs”) may be used to purchase tangible personal property and certain additional property (*e.g.*, computer tablets, ringtones, and insurance) rather than just services. Please contact us with any questions.

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