

**§ 105-164.13A. Service charges on food, beverages, or prepared food.**

When a service charge is imposed on food, beverages, or prepared food, so much of the service charge that does not exceed twenty percent (20%) of the sales price is considered a tip and is specifically exempted from the tax imposed by this Article if it meets both of the following conditions:

- (1) Is separately stated in the price list, menu, or written proposal and also in the invoice or bill.
- (2) Is turned over to the personnel directly involved in the service of the food, beverages, or prepared food, in accordance with G.S. 95-25.6. (1979, c. 801, s. 76; 1979, 2nd Sess., c. 1101; 1999-438, s. 13; 2013-414, s. 11(b).)