GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 1200
Apr 30, 2026
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40707-NIf-191

Short Title:	Tax-Free Family Essentials Act.	(Public)
Sponsors:	Representative Schietzelt.	
Referred to:		

A BILL TO BE ENTITLED

AN ACT TO EXEMPT DIAPERS, BABY WIPES, OVER-THE-COUNTER CHILDREN'S MEDICATION, PRENATAL VITAMINS, AND FEMININE HYGIENE PRODUCTS FROM THE SALES TAX.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 105-164.3 reads as rewritten:

"**§ 105-164.3. Definitions.**

The following definitions apply in this Article:

…

(21a) Baby wipes. – Disposable, pre-moistened tissues, towelettes, or wipes that are marketed and labeled by the manufacturer primarily for use on the skin of babies or toddlers regardless of whether the item meets the definition of an "over-the-counter drug."

…

(88) Feminine hygiene products. – Tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for feminine hygiene in connection with the human menstrual cycle but does not include "grooming and hygiene products."

…

(94) Grooming and hygiene products. – Soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, suntan lotions, and sunscreens, regardless of whether the items meet the definition of "over-the-counter drugs."

…

(170) Prenatal vitamins. – Dietary supplements that are specifically formulated and marketed for use by women who are pregnant, nursing, or intending to become pregnant regardless of whether they are dispensed by a physician's prescription and provided that they are identified as prenatal vitamins on the product's "Supplemental Facts" panel or "Principal Display Panel."

…."

SECTION 1.(b) G.S. 105-164.13 reads as rewritten:

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

The sale at retail and the use, storage, or consumption in this State of the following items are specifically exempted from the tax imposed by this Article:

…

(13) All of the drugs listed in this subdivision, including their packaging materials and any instructions or information about the drugs included in the package with them. This subdivision does not apply to pet food or feed for animals. The drugs exempt under this subdivision are as follows:

a. Drugs required by federal law to be dispensed only on prescription.

b. Over-the-counter drugs sold on prescription. This sub-subdivision does not apply to purchases of over-the-counter drugs by hospitals and other medical facilities for use and treatment of patients.

c. Insulin.

d. Over-the-counter drugs (i) intended for the treatment of a health condition in children age 12 and under and (ii) labeled by the manufacturer with a Drug Facts panel containing specific dosage instructions for children age 12 and under.

…

(13d) Sales of diapers or incontinence ~~underpads on prescription by an enrolled State Medicaid provider for use by beneficiaries of the State Medicaid program when the provider is reimbursed by the State Medicaid program or a Medicaid managed care organization, as defined in 42 U.S.C. § 1396b(m).~~underpads.

…

(76) Sales of baby wipes.

(77) Sales of feminine hygiene products.

(78) Sales of prenatal vitamins."

SECTION 2. This act becomes effective October 1, 2026, and applies to sales made on or after that date.