



# Activity Review

North Carolina State Board of Certified  
Public Accountant Examiners

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## Am I Required to Have a Privilege License from the NC Department of Revenue?

*Every person engaged in the public practice of accounting as a principal, or as a manager of the business of public accountant, shall pay for such license fifty dollars (\$50.00), and in addition shall pay a license tax of twelve dollars and fifty cents (\$12.50) for each person employed who is engaged in the capacity of supervising or handling the work of auditing, devising or installing systems of accounts [NC General Statute 105-41(c)].*

If you are an owner, principal, or manager in a CPA firm or business providing accounting services to third parties, you are required to purchase a \$50.00 annual privilege license from the North Carolina Department of Revenue (NC DOR).

You also are required to pay a \$12.50 fee for an annual privilege license for any other employees of the CPA firm or business, CPA or non-CPA, providing accounting services.

Accounting services include, but are not limited to, audits, reviews, compilations, financial statements, agreed-upon procedures, bookkeeping, tax return preparation, tax reports, professional services or assistance relating to accounting procedure and systems, tax consulting, and management advisory services.

CPAs employed in business, industry, government, or education are not required to purchase an annual privilege license from the NC DOR.

However, a CPA engaged in the public practice of accounting who provides any of the above-noted services outside his or her government, business and industry, or

education employment (such as a seasonal tax preparation firm) is required to purchase an annual \$50.00 privilege license.

According to the NC DOR, a non-resident CPA engaged in the public practice of accountancy by providing any of the services noted above through mobility is required to purchase an annual \$50.00 privilege license.

A privilege license is issued on an annual basis as a personal privilege license; it will not be issued in the name of a firm or corporation.

The privilege license must be obtained from the NC DOR prior to engaging in business. It is unlawful to engage in business without obtaining a required privilege license.

For additional information regarding the privilege license requirement or to obtain Form B-202A, "Application for State Privilege License," contact the Taxpayer Assistance Division of the NC DOR by telephone at 1-877-252-3052 or visit the NC DOR website, [www.dornc.com/taxes/license](http://www.dornc.com/taxes/license).

Issue 04-2017

### Persons Exempt from Privilege License Tax

"Am I Required to Have a Privilege License from the NC Department of Revenue?" (*Activity Review*, April 2017) omitted that certain persons are exempt from the tax.

NC General Statute 105-41(b), states:

The following persons are exempt from the tax:

- (1) A person who is at least 75 years old.
- (2) A person practicing the professional art of healing for a fee or reward, if the person is an adherent of an established church or religious organization and confines the healing practice to prayer or spiritual means.

- (3) A blind person engaging in a trade or profession as a sole proprietor. A "blind person" means any person who is totally blind or whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or where the widest diameter of visual field subtends an angle no greater than 20 degrees. This exemption shall not extend to any sole proprietor who permits more than one person other than the proprietor to work regularly in connection with the trade or profession for remuneration or recompense of any kind, unless the other person in excess of one so remunerated is a blind person.

Issue 06-2017