

PRIVILEGE LICENSE
There is

Vs

BROKER LICENSE
a difference.

By Debbie J. Slaughter, Auditor/Investigator

And the difference is, a broker license is something every individual and business entity needs to perform real estate brokerage services like sales or property management in North Carolina. The broker real estate license for individuals and firms is administered by the Real Estate Commission and must be renewed yearly on or before June 30 through the Commission. For more information on the broker and/or firm license go to the Commission's website, www.ncrec.gov.

A state privilege license is also required to do certain types of business activities within North Carolina. This license is personal and is not issued in the name of a firm or corporation. Individual real estate brokers are specifically required to obtain a privilege license

under NCGS §105-41(a)(8); however, a licensed broker who is also a licensed appraiser is only required to get one privilege license which will cover both activities. The state privilege license is governed by the Department of Revenue and must also be renewed yearly by July 1. There are a few, very limited exemptions from the state privilege license requirement which can be found under NCGS §105-41(b). In order to apply for a privilege license, you must go to the Department of Revenue's website, <http://www.dor.state.nc.us/downloads/privilege.html>. Once this state privilege license has been granted, you must pay an annual tax on July 1st. This tax is not prorated and there are penalties for failure to pay.

NCGS §160A-194, effective July 1st,

2015, limited the authority of cities to require an additional license for persons holding a license issued by an occupational licensing board. Brokers should still confirm with their city or county whether any other additional local permits are needed to conduct business in that location. Go to your city or county website for further information.

Remember: Before conducting real estate brokerage services you must: (1) obtain an individual and/or firm license from the NC Real Estate Commission; AND (2) obtain a state privilege license from the NC Department of Revenue. Once you have these licenses, mark your calendar to renew your broker license by June 30 of each year and to renew your privilege license and pay the yearly tax by July 1st.