



Privilege licenses

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QUESTION: I am in the process of getting a real estate license for my newly-formed real estate firm. I will act as the Qualifying Broker and BIC of the firm, and I plan to have several agents affiliated with the firm. I have been an agent for ten years and have paid the Department of Revenue for a privilege license each year. Since I'm going to be doing business in the name of my firm, will I still need to get a privilege license from the NC Department of Revenue for myself, and/or will I need to get one for the firm? Also, will I be legally responsible as BIC of my firm for making sure that my agents get privilege licenses every year?

ANSWER: You must continue to renew your own privilege license from the Department of Revenue, but you won't need to get one for your firm. According to [NC General Statutes Section 105-41](#), every individual in North Carolina who practices a profession or engages in a business listed in the statute must obtain a privilege license from the NC Department of Revenue and renew it annually. Real estate brokers are listed in subsection (a)(8). Subsection (e) specifically states that "[I]licenses issued under this section are issued as personal privilege licenses and shall not be issued in the name of a firm or corporation."

The \$50.00 tax is due by July 1st each year. The tax is not prorated and there are penalties for failure to pay it. It is important for brokers to obtain their privilege licenses and renew them each year because it is unlawful to engage in the business without one. See [NC General Statutes Section 105-103](#).

Although as BIC you will be responsible under [Real Estate Commission Rule 58A.0110](#) for ensuring that your affiliated agents timely renew their real estate licenses each year, there is no comparable duty to ensure that they renew their privilege licenses each year. Having said that, as noted above, it is unlawful for an agent to engage in the real estate business without a privilege license, so we think it would be a good idea for you to at least remind your agents of the need to obtain a privilege license and renew it annually.

An article on the subject of the privilege license can be found in the October 2016 edition of the Real Estate Commission's *Bulletin*. Click [here](#) to link to the article on the NCREC's website.

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