



**Sales and Use Tax Division  
North Carolina Department of Revenue  
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**IMPORTANT NOTICE: SALES AND USE TAX FILING FREQUENCY CHANGE NOTIFICATIONS  
ARE BEING MAILED TO CERTAIN TAXPAYERS**

Approximately 8,500 notices are being mailed to taxpayers who file sales and use tax returns. A number of taxpayers who previously filed quarterly sales and use tax returns are being notified that they will be required to file on a monthly basis for filing periods beginning on or after October 1, 2017. Some taxpayers will be notified that they are to file quarterly sales and use tax returns beginning on or after October 1, 2017 in lieu of filing monthly returns. A taxpayer should not independently change the filing frequency without receipt of a notice from the Department advising of a filing frequency change. The following [Example Notice](#) provides an image of the type of notice that a monthly with prepayment filer will receive.

The sales and use tax statutes provide that the Secretary must monitor the amount of State and local sales and use taxes paid by a taxpayer and must direct each taxpayer to pay tax and file returns as required by N.C. Gen. Stat. § 105-164.16. In determining the amount of taxes due from a taxpayer, the Secretary must consider the total amount due from all places of business owned or operated by the same person as the amount due from that person. A taxpayer must file a return and pay tax in accordance with the Secretary's direction.

The filing periods are set by statute are as follows:

**Quarterly.** – A taxpayer who is consistently liable for less than one hundred dollars (\$100.00) a month in State and local sales and use taxes must file a return and pay the taxes due on a quarterly basis. A quarterly return covers a calendar quarter and is due by the last day of the month following the end of the quarter.

**Monthly.** – A taxpayer who is consistently liable for at least one hundred dollars (\$100.00) but less than twenty thousand dollars (\$20,000) a month in State and local sales and use taxes must file a return and pay the taxes due on a monthly basis. A monthly return is due by the 20th day of the month following the calendar month covered by the return.

**Prepayment.** – A taxpayer who is consistently liable for at least twenty thousand dollars (\$20,000) a month in State and local sales and use taxes must make a monthly prepayment of the next month's tax liability. The prepayment is due on the date a monthly return is due. The prepayment must equal at least sixty-five percent (65%) of any of the following:

- (1) The amount of tax due for the current month.
- (2) The amount of tax due for the same month in the preceding year.
- (3) The average monthly amount of tax due in the preceding calendar year.

Taxpayers who file monthly with prepayment must file electronically and may use the Department's [Online File and Pay Portal](#). Such taxpayers are required to pay by electronic funds transfer (EFT); however, the Department will accept electronic payment through the Department's Online File and Pay System in lieu of by EFT.

*To the extent there is any change in the rate or amount of tax, change to a statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance issued prior to the date of this notice conflicts with this important notice, the provisions contained in this important notice supersede.*