



Important Notice: Interactive Sports Wagering Operators Required to Submit Tax Payments by Electronic Funds Transfer

The following important information is addressed in this notice:

- Electronic excise tax payment requirements and effective date for Interactive Sports Wagering Operators doing business in North Carolina;
- Filing Requirements for Interactive Sports Wagering Operators;
- When Interactive Sports Wagering Operators are required to file and pay excise taxes electronically; and
- What Interactive Sports Wagering Operators need to do to make electronic payments of excise taxes to the Department.

Electronic excise tax payment requirements and effective date

Effective for October returns due November 20, 2024, pursuant to N.C. Gen. Stat. § 105-241(b)(3), the Secretary shall require all Interactive Sports Wagering Operators doing business in North Carolina to submit tax payments by electronic funds transfer, when the average amount of the Sports Wagering Operator's required tax payments is at least twenty thousand dollars (\$20,000) a month for the applicable tax period. The twenty thousand dollar (\$20,000) threshold applies separately to each tax.¹ The requirement that a taxpayer pay a tax by electronic funds transfer remains in effect until suspended by the Secretary.

Article 2E of Chapter 105 of the North Carolina General Statutes was created by Session Law 2023-42 specifically for imposing an excise tax on interactive sports wagering. The excise tax imposed on interactive sports wagering is statutorily set at the rate of eighteen percent (18%) on gross wagering revenue. Gross wagering revenue is "the total of amounts received by an Interactive Sports Wagering Operator from sports wagers as authorized under Article 9 of Chapter

¹ N.C. Gen. Stat. § 105-241(b)(3).

18C of the General Statutes less the amounts paid as winnings before any deductions for expenses, fees, or taxes.”²

Filing Requirements

Each Interactive Sports Wagering Operator doing business in North Carolina is required to file Form S-W-101 Interactive Sports Wagering Operator Return, and if applicable, Form S-W-101CF, Carryforward Amount. The Form S-W-101, is required to be filed monthly by Interactive Sports Wagering Operators who are licensed under Article 9 of Chapter 18C of the General Statutes, as well as registered with the North Carolina Department of Revenue under N.C. Gen.Stat. § 105-113.126A.

When Sports Wagering Operators are required to pay excise taxes electronically.

Sports Wagering Operators filing of the S-W-101 and payment of excise taxes due, if exceeding the \$20,000 threshold, must be filed electronically on or before the 20th day of the month following the month in which the taxable sports wagering revenue occurs. The return must be filed even if no activity occurs in the month covered by the return.

In the case of failure to file a return or failure to pay a tax when due, the Secretary shall assess a penalty and interest will accrue. Interest accrues on tax not paid from the original due date. Any penalty and interest incurred must be included with the applicable tax payment and submitted by electronic funds transfer.³

What Interactive Sports Wagering Operators need to do to make electronic payments of excise taxes to the Department.

Sports Wagering Operators that ***do not*** have an account set up for electronic funds transfer must contact the Department at telephone number (919) 707-7500 or toll free (877) 308-9092 to set up an account for their electronic payments.

Advisement

To the extent there is any change in the rate or amount of tax, change to a statute or regulation, or new case law after the date of this notice, the provisions in this notice may be superseded or voided. If a written response would require the Department to interpret the law in a manner not specifically addressed in a statute, regulation, or Departmental or IRS publication, the person requesting the written response must follow the procedure (and pay the required fee) for requesting a private letter ruling available on the Department’s website at the following address:

ncdor.gov/documents/nc-481-request-written-determination

² N.C. Gen. Stat. § 18C-901(7).

³ N.C. Gen. Stat. § 105-236(3), N.C. Gen. Stat. § 105-236(4).