**North Carolina Payroll Taxes**

**NC State Income Tax Withholding**

North Carolina Department of Revenue’s (NCDOR) Taxes & Forms Withholding Tax website: <https://www.ncdor.gov/taxes-forms/withholding-tax>

NCDOR’s Form NC – 30 (Income Tax Withholding Tables and Instructions for Employers: <https://www.ncdor.gov/2023-nc-30/open>

**Who Must Withhold NC State Income Taxes**

NC State withholding taxes must be withheld from salaries and wages of all NC residents regardless of where earned and remitted to the NCDOR. To register with the State of North Carolina, complete an Application for Income Tax Withholding ([NCDOR Form NC-BR](https://edpnc.com/wp-content/uploads/2019/10/ncbr_webfilll.pdf)).

*\*Note:* NCDOR’s online application does not currently support registration as a Governmental Agency, therefore NCDOR recommends mailing a completed paper Form NC-BR to:

N.C. Department of Revenue

P.O. Box 25000

Raleigh, NC 27640-0100

Processing of paper applications may take up to four weeks.

Questions may be directed to (877) 252-3052. Select the ‘Other Inquiries’ option; then the ‘Business General’ option.

NC State Income Tax Withholding Filing and Payment Options

The withholding tax must be withheld from each payment of wages, and the amount is considered to be held in trust until it is paid to the Department. North Carolina does not use a depository system for income tax withheld. A report of the tax withheld must be filed and the tax paid by the required due date. You are required to report and pay the tax withheld on a quarterly, monthly, or semiweekly basis. Your initial filing frequency is determined by your average monthly withholding as indicated on Form NC-BR.

* Less than $250 per month, you will file a return and pay the withheld taxes on a calendar quarter basis. A withholding return and payment are due by the last day of April, July, October, and January for the prior three months.
* At least $250 but less than $2,000 per month,you will file a return and pay the withheld taxes on a monthly basis. Monthly returns and payments are due by the 15th day of the month following the month in which the tax was withheld.
* $2,000 or more per month,you will file a return and pay the withheld taxes the same time you are required to file the reports and pay the tax withheld on the same wages for federal income tax purposes.

An employer required to file a certain frequency (semiweekly, monthly, or quarterly) because of its average monthly withholding must continue on that basis until the Department of Revenue authorizes a change to a new filing frequency. The employer must continue on the same filing frequency until written authorization to change is received from the Department of Revenue.

You may file your Withholding returns and submit payment:

* Online via NCDOR’s eBusiness Center <https://www.ncdor.gov/file-pay/ebusiness-center>
* By Mail: complete forms online, then print and mail with check or money order <https://www.ncdor.gov/taxes-forms/withholding-tax/withholding-tax-forms-and-instructions>

Form NC-3 reconciles the total North Carolina income tax withheld as listed on the W-2 and 1099 statements with the amount of tax reported as withheld for the year. If you are required to withhold or you voluntarily withheld North Carolina income taxes, you must file Form NC-3. Form NC-3 and the required W-2 and 1099 statements, (collectively “Form NC-3”) must be filed electronically with the NCDOR on or before January 31 for the preceding calendar year.

eNC3 Step-by-Step Guides: <https://www.ncdor.gov/enc3-step-step-guides>

Instructions for Form NC-3 <https://www.ncdor.gov/nc-3-instructions/open>

**NC W-4 Requirements**

North Carolina employees must complete the NC-4EZ, Employee’s Withholding Allowance Certificate **or** the NC-4, Employee’s Withholding Allowance Certificate. You may download the current forms from the NCDOR Withholding Tax Forms and Instructions website: <https://www.ncdor.gov/taxes-forms/withholding-tax/withholding-tax-forms-and-instructions>.

**NC State Unemployment Insurance**

In general, workers are covered by the unemployment law of the state in which the work is performed. NC’s unemployment insurance tax program is administered by the NC Division of Employment Security. Employers must create an online account to manage unemployment insurance tax and information.

A governmental entity may elect to reimburse the UI Fund in lieu of contributions (reimbursing employer) by filing a written notice within 30 days after receiving notification of UI eligibility. During the first four quarters following an election to be a reimbursing employer, the employer must submit an advance payment with its quarterly report. The amount of the advance payment is equal to one percent (1%) of the taxable wages reported on the quarterly wage report.

Apply for an Unemployment Insurance Employer Tax Account Number (EAN) online here: <https://fed.div.des.nc.gov/ofis/citizen/pages/public/SelfRegStart.aspx>. After your application is processed, you will receive two pieces of mail: one with your seven-digit EAN, and one with your six-digit PIN. This may take four to six weeks. You can then use the seven-digit EAN and six-digit PIN to create an online account with NCSUITS: <https://www.des.nc.gov/ncsuits> to file UI tax and wage reports, manage your unemployment tax information and respond to unemployment claims.

Employers are required to file a Quarterly Tax and Wage Report for each quarter, beginning with the quarter in which employment begins. Due dates are as follows:



File the reports online if you have 10 or more employee wage items.

If you need to file by paper, you may download a blank Employer's Quarterly Tax and Wage Report (Form NCUI 101): <https://www.des.nc.gov/documents/downloads/ncui101-0/download> or contact the Employer Call Center at 919-289-5424 to request that a blank form be mailed to you.

If you have no wages to report, but you are continuing business, you need to file a Zero report.

North Carolina has adopted the Interstate Reciprocal Coverage Arrangement for unemployment insurance. Under this arrangement, if an employee works in more than one state, an employer may elect to cover all the services of such a worker in any state in which: (1) any part of the worker's service is performed, (2) the worker has his or her residence, or (3) the employer maintains a place of business. The agreement should be initiated through the state where the employer wants to report the payroll. A Washington employer may request to elect reciprocal coverage with another state by following the filing process outlined by Washington Administrative Code 192-300-150: <https://app.leg.wa.gov/wac/default.aspx?cite=192-300-150>.

**NC State Workers’ Compensation**

The North Carolina Workers’ Compensation Act requires that all businesses that employ three or more employees, including those operating as corporations, sole proprietorships, limited liability companies and partnerships, obtain workers’ compensation insurance or qualify as self-insured employers for purposes of paying workers’ compensation benefits to their employees.

Washington State Department of Enterprise Services (DES) administers a Workers' Compensation Insurance program for state workers. If your employee works outside of Washington in a single other state for more than 30 days (240 hours) per year, **your agency must work with DES** to insure your out-of-state employee. For more information, contact Kimberly Haggard [kimberly.haggard@des.wa.gov](mailto:kimberly.haggard@des.wa.gov) at DES Risk Management.

**NC State Paid Family / Medical Leave**

North Carolina does not have a paid family and medical leave program as of 12/06/2023.

**Helpful resources for North Carolina**

NCDOR’s Customer Education website: <https://www.ncdor.gov/contact-us/customer-education> offers free webinars, a tax resource library, and additional learning tools

NC Withholding FAQs at <https://www.ncdor.gov/taxes-forms/withholding-tax/withholding-tax-frequently-asked-questions>

NC Dept of Commerce (Employment Security / Unemployment) Employer Call Center Telephone: (866) 278-3822

Email: [des.tax.customerservice@nccommerce.com](mailto:des.tax.customerservice@nccommerce.com).

NC Industrial Commission (Workers Compensation Insurance) website: <https://www.ic.nc.gov/index.html>

Help Line: 800-688-8349