



# ASHEVILLE AREA

## TAXES

compiled by:

Asheville Metro Business Research Center

A Service of the Asheville Area Chamber of Commerce  
North Carolina does not levy a property tax at the state level.

### 2007-08 Property Tax Rates (Per \$100 Assessed Valuation)

County Municipality	Last Reval.*	City Rate	County Rate	Special		Total	Fire Districts and Other Special Districts			
				School Districts	Other Districts					
<b>Buncombe County</b>	<b>2007*</b>		<b>0.525</b>			<b>0.525</b>	Barnardsville	.1150	Leicester	.1000
Asheville, City of		0.420	0.525	0.150		0.945	Beaverdam	.1100	North Buncombe	.1060
Biltmore Forest, Town of		0.295	0.525			0.820	Broad River	.1000	Reems Creek	.1200
Black Mountain, Town of		0.320	0.525			0.845	East Buncombe	.0900	Reynolds	.0900
Montreat, Town of		0.370	0.525			0.895	Enka	.0750	Riceville	.1100
Weaverville, Town of		0.380	0.525			0.905	Fairview	.0750	Skyland	.0780
Woodfin, Town of		0.265	0.525		0.100	0.790	Fletcher	.0780	Asheville Suburban	.0850
							French Broad	.0120	South Buncombe	.0780
							Garren Creek	.0120	Swannanoa	.1250
							Haw Creek	.0900	Upper Hominy	.1100
							Hominy	.1100	West Buncombe	.0800
							Jupiter	.0950	Woodfin	.1000
							Asheville School	.1500	N Buncombe Service	.1100
							Beaverdam Service	.1100	Reems Creek Service	.1200
<b>Haywood</b>	<b>2006*</b>		<b>0.497</b>			<b>0.497</b>	Big Cove	.0600	Junaluska	.0650
Canton		0.530	0.497			1.027	Camp Branch	.0600	Lake Logan/Cecil	.1000
Clyde		0.430	0.497		0.090	1.017	Center Pigeon	.0650	Maggie Valley	.0500
Maggie Valley		0.420	0.497		0.050	0.967	Clyde	.0900	North Canton	.0600
Waynesville		0.400	0.497			0.897	Crabtree-Ironduff	.0650	Saunook	.0350
							Cruso	.0900	S Waynesville	.0600
<b>Henderson</b>	<b>2007*</b>		<b>0.462</b>			<b>0.462</b>	Fines Creek	.0900	West Canton	.1000
Flat Rock		0.075	0.462			0.537	Jonathan Creek	.0700	Waynesville MSD	.2600
Fletcher		0.095	0.462			0.557	Junaluska Sanitary	.0600	(+9 Road Maintenance Districts)	
Hendersonville		0.380	0.462			0.842	Bat Cave	.0800	Green River	.0600
Hendersonville, Downtown	N/A		0.462			0.462	Blue Ridge	.0850	Mills River	.0650
Laurel Park		0.270	0.462			0.732	Dana	.1000	Mountain Home	.0950
Mills River, Town of		0.075	0.462			0.537	Edneyville	.0850	Raven Rock	.0750
Saluda:							Etowah-Horse Shoe	.0800	Valley Hill	.0700
In Henderson		0.605	0.462			1.067	Fletcher, Town of	.2700	Valley Hill # 2	.0700
In Polk		0.540	0.680	0.030		1.250	Gerton	.1150	Seventh Avenue MSD	.0800
<b>Madison</b>	<b>2004</b>		<b>0.510</b>			<b>0.510</b>	Hendersonville MSD	.2500		
Hot Springs		0.510	0.510			1.020	Big Pine	.0400	Leicester	.1000
Mars Hill		0.460	0.510			0.970	Country	.0700	Mars Hill	.0500
Marshall		0.490	0.510			1.000	Ebb's Chapel	.0900	Smokey Mountain	.0800
							Jupiter	.1000	Walnut	.1000
							Laurel	.0200		

Source: North Carolina Department of Revenue; Henderson County Tax Department; Buncombe County Tax Department

Notes: All taxable property is assessed at 100% of appraised value and revaluation is effective January 1 of given year.

\*All counties must revalue real property at least every 8 years, but may elect to revalue more frequently. These counties have adopted a more frequent revaluation schedule.

\*\*These cities levy and/or collect their own school administrative unit taxes. Other school district levies are administered by the counties.

\*\*\*\*Tax rates for municipal service districts apply only to certain areas within the municipalities and not to all municipal property. Rates are shown in the NOTES column.

**North Carolina Income Tax** (There is no local income tax.)

NC Corporate Income Tax 6.90%  
 NC Personal Income Tax  
 Depending on Income Levels/Filing Status 6% to 8%

Reduced from 8.25% to 8% effective for tax year beginning on/after January 1, 2007, and reduced to 7.75% effective for tax year 2008.

Details: NC Department of Revenue, (919) 733-3991 or (828) 667-0597.

**Sales & Use Tax - Overview (State 4.25%+County 2.5%=6.75%)\***

Items	State Tax Rate	Local Tax Rate
General Tax Rate: Most Tangible Commodities; Room and Cottage Rentals; Laundry and Dry Cleaning Services; Prepaid Telephone Calling Services; Mixed Beverages	4.25%	2.5%*
Spirituos Liquor	7%**	Exempt
Food for home preparation	Exempt	2%
Motor vehicles, prescription drugs, other medical equipment, gasoline, many business purchases	Exempt	Exempt
Telecommunications Services Cable and Satellite Television	7%**	Exempt
Electricity for General Use**	3%	Exempt
Electricity Sales to Farmers/Laundries/Dry Cleaners/Manufacturers (Effective July 1, 2007 reduced from 2.83% to 2.6%)	2.83%	Exempt
Manufactured Homes Modular Homes	2% 2.5%	Exempt
Purchases by Manufacturers of Selected Goods	1% (max. \$80/item)	Exempt

Note: As of Jan. 1, 2006 Purchase of Manufacturing Machinery by Contractors or Subcontractors for Constructio of Mfg. Facilities: Exempt from Sales Tax, Subject to Privilege Tax of 1%.

**Piped Natural Gas Excise Tax**

Declining block rate based on the number of therms of gas consumed in a month: The rate per therm starts at \$0.047 for the first 200 therms and declines to \$0.003 for volumes in excess of 500,000 therms.

**Incorporation Fees**

		Non-Profits	LLCs
Filing of Articles of Incorporation	\$125	\$60	\$125
Application for Certificate of Authority	\$250		\$250
Required Annual Report Filing Fee	\$20		\$200
Additional Fees for Filing Documents			

Additional information: Corporations Division, Office of the Secretary of Sates, PD Box 29622, Raleigh, NC 277626-0622; www.secstate.state.nc.ue

**Corporations**

The major annual taxes levied on corporations by the state government are a franchise tax, an income tax, and a sales (or use) tax on purchases (which, in the case of manufacturers, is relatively light). The only significant local tax paid by manufacturers is the levy on real and tangible personal property by counties and municipalities which is lessened due to the exclusion of inventories from the tax base. Information about taxes of less significance to corporations, such as alcoholic beverage taxes and gasoline tax, is available upon request: Corporations Division, Office of the Secretary of State, PO Box 29622, Raleigh, NC 27626-0622; www.secretary.state.nc.us.

**Franchise Tax**

A franchise tax is levied on business corporations (including those electing federal S Corporation status) at the rate of \$1.50 per \$1,000 of the largest of three alternate bases. These bases are: (a) capital stock, surplus, and undivided profits apportionable to the State; or (b) fifty-five percent of appraised ad valorem tax value of tangible property plus value of intangible property in NC; or (c) actual investment in tangible property in NC. The minimum Franchise Tax is \$35.

Source: NC Department of Revenue

**Unemployment Insurance Tax/Employment Security Tax**

Business entities are subject to a payroll tax under the NC Employment Security Law if they have one or more employees for 20 weeks during a calendar year or pay \$1,500 in wages in any calendar quarter. This tax is administered by the Employment Security Commission of North Carolina (Information: www.ncesc.com/business/default.asp). Out-of-state requests for information and application for registration should be sent directly to the Commission; in-state requests should be made directly to a Field Tax Auditor in Employment Security Commission Job Service offices located throughout the State.

**Exceptions/Special Provisions**

S Corporations are not subject to corporate income tax. Shareholder's pro rata share of income is taxed under the individual income tax rate. Limited Liability Companies (LLCs) and their members are subject to income tax in the same manner and to the same extent as for federal income tax purposes. However, an LLC classified as a corporation is not subject to franchise tax.

For further information please contact:

North Carolina Department of Revenue  
 Post Office Box 25000  
 Raleigh, North Carolina, 27640-0640  
 (919) 733-3991  
 web: www.dor.state.nc.us

Buncombe County Tax Department  
 60 Court Plaza Room 315  
 Asheville, NC 28801  
 (828) 250-4910 or 250-4930  
 web: www.buncombecounty.org

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