2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec. 44.9: Prediction Market Trading Fees Tax

Analysis of:	S.L. 2026-41, Sec. 44.9	**Date:**	August 19, 2026
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Section 44.9 of S.L. 2026-41 (Senate Bill 257) creates a 6% tax on the net trading fee revenue of a prediction market operator that is apportionable to the State. The tax is due annually. A prediction market is defined as a platform through which a consumer may buy, sell, or exchange event contracts. An event contract is defined as a swap that is based on the occurrence, extent of an occurrence, or contingency for which the event or contingency involves sports.

Net trading revenue starts with prediction market revenue, which is defined as (i) trading or taker fees, (ii) fees charged to liquidity providers placing resting orders, and (iii) commissions charged to certain entities. That amount is reduced by (i) broker or market maker compensation, (ii) promotional incentives, funds, or rebates, (iii) platform fees or clearing fees, and (iv) withdrawal fees. The end result is the net trading revenue of the prediction market operator. Net trading revenue is apportionable to the State if it involves the trading of an event contract by a resident of North Carolina, who is domiciled and present in the State at the time of the trade.

This section is effective January 1, 2027, and applies to net trading fee revenue received on or after that date.

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.