

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 196

Short Title: Leased Property Tax Credit.

(Public)

Sponsors: Senator Hunt of Durham.

Referred to: Small Business.

February 20, 1989

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR PROPERTY TAXES
3 PAID ON LEASED NONBUSINESS PERSONAL PROPERTY.

4 The General Assembly of North Carolina enacts:

5 Section 1. Division IV of Article 4 of Chapter 105 of the General Statutes is
6 amended by adding a new section to read:

7 "**§ 105-163.06. Credit for local property taxes paid on leased nonbusiness personal**
8 **property.**

9 (a) A credit against the income tax imposed in this Article may be claimed by a
10 taxpayer for that portion of annual property taxes due and paid on a timely basis during
11 the taxable year by the taxpayer to taxing units in this State upon leased nonbusiness
12 personal property. As used in this section, the term 'leased nonbusiness personal
13 property' means personal property that as of the listing date was on lease to a lessee who
14 used the property only for a purpose other than the production of income and did not use
15 the property in connection with a business. The term does not include motor vehicles,
16 mobile homes, aircraft, watercraft, or engines for watercraft.

17 (b) The leased nonbusiness personal property income tax credit shall be applied
18 first against the income tax due from the taxpayer for the taxable year in which the
19 property tax which is the basis for the credit was actually paid and may be carried
20 forward as provided in G.S. 105-163.08."

21 Sec. 2. G.S. 105-320 reads as rewritten:

22 "**§ 105-320. Tax receipts; preparation.**

1 (a) No taxing unit shall adopt a tax receipt form until it has been approved by the
2 Department of Revenue, and no tax receipt form shall be approved unless it shows at
3 least the following information:

- 4 (1) The name and mailing address of the taxpayer charged with taxes.
- 5 (2) The assessment of the taxpayer's real property listed for unit-wide
6 taxation.
- 7 (3) The assessment of the taxpayer's personal property listed for unit-wide
8 taxation.
- 9 (4) The total assessed value of the taxpayer's real and personal property
10 listed for unit-wide taxation.
- 11 (5) The total assessed value of the taxpayer's real and personal property
12 listed for taxation in any special district or subdivision of the unit.
- 13 (6) The rate of tax levied for each unit-wide purpose, the total rate levied
14 for all unit-wide purposes, and the rate levied by or for any special
15 district or subdivision of the unit in which the taxpayer's property is
16 subject to taxation. (In lieu of showing this information on the tax
17 receipt, it may be furnished on a separate sheet of paper, properly
18 identified, at the time the official receipt is delivered upon payment).
- 19 (7) The amount of ad valorem tax due by the taxpayer for unit-wide
20 purposes.
- 21 (8) The amount of ad valorem tax due by the taxpayer to any special
22 district or subdivision of the unit.
- 23 (9) The amount of dog license tax due by the taxpayer.
- 24 (10) The amount of penalties, if any, imposed under the provisions of G.S.
25 105-312.
- 26 (11) The total amount of all taxes and penalties due by the taxpayer to the
27 unit and to special districts and subdivisions of the unit.
- 28 (12) The amount of discount allowed for prepayment of taxes under the
29 provisions of G.S. 105-360.
- 30 (13) The amount of interest charged for late payment of taxes under the
31 provisions of G.S. 105-360.
- 32 (16) The total assessed value of farm machinery, attachments, and repair
33 parts of individual owners and Subchapter 'S' corporations engaged in
34 farming subject to the income tax credit in G.S. 105-163.07 and the
35 amount of ad valorem taxes due by an individual farmer or a
36 Subchapter 'S' corporation engaged in farming on farm machinery,
37 attachments, and repair parts subject to that credit.
- 38 (17) The total assessed value of leased nonbusiness personal property
39 subject to the income tax credit in G.S. 105-163.06 and the amount of
40 ad valorem taxes due on leased nonbusiness personal property subject
41 to that credit.

42 (b) Instead of being shown on the tax receipt, the information required in
43 ~~subdivision (16)~~ subdivisions (16) and (17) of subsection (a) may be shown on a separate
44 sheet furnished to the affected taxpayers.

1 (c) The governing body of the county or municipality shall designate the person
2 or persons who shall compute and prepare the tax receipt for all taxes charged upon the
3 tax records."

4 Sec. 3. This act is effective for taxable years beginning on or after January 1,
5 1989.