

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1204

Short Title: Exempt Contractors' Inventory.

(Public)

Sponsors: Representatives Black; and Cummings.

Referred to: Finance.

April 27, 1993

A BILL TO BE ENTITLED

AN ACT TO EXEMPT FROM PROPERTY TAX THE INCREASE IN VALUE OF REAL PROPERTY HELD FOR SALE BY A BUILDER, TO THE EXTENT THE INCREASE IS ATTRIBUTABLE TO SUBDIVISION OR IMPROVEMENTS BY THE BUILDER.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-273 is amended by adding a new subdivision to read:

"(3a) 'Builder' means a taxpayer engaged in the business of buying real property, making improvements to it, and then reselling it."

Sec. 2. Article 12 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-277.02. Certain real property held for sale classified for taxation at reduced valuation.**

Real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2 (2) of the North Carolina Constitution. Any increase in value of this classified property attributable to subdivision of or other improvements made to the property by the builder is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. The builder must apply for this exclusion annually as provided in G.S. 105-282.1. In appraising property classified under this section, the assessor shall specify what portion of the value is an increase attributable to subdivision or other improvement by the builder."

Sec. 3. This act is effective for taxes imposed for taxable years beginning on or after July 1, 1994.