

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1169*

Short Title: Homestead Tax Reduction.

(Public)

Sponsors: Senator Blust.

Referred to: Finance.

May 19, 1998

A BILL TO BE ENTITLED

1 AN ACT TO REDUCE PROPERTY TAXES ON HOMESTEAD PROPERTY, TO
2 ALLOW MORE INDIVIDUALS TO QUALIFY FOR THE HOMESTEAD TAX
3 REDUCTION, AND TO REIMBURSE LOCAL GOVERNMENTS FOR THE
4 RESULTING REVENUE LOSS.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 105-277.1(a) reads as rewritten:

7 "(a) Exclusion. – The following class of property is designated a special class of
8 property under Article V, Sec. 2(2) of the North Carolina Constitution and shall be
9 assessed for taxation in accordance with this section. The first ~~twenty thousand dollars~~
10 ~~(\$20,000)~~ twenty-five thousand dollars (\$25,000) in appraised value of a permanent
11 residence owned and occupied by a qualifying owner is excluded from taxation. A
12 qualifying owner is an owner who meets all of the following requirements as of January 1
13 preceding the taxable year for which the benefit is claimed:

14 (1) Is at least 65 years of age or totally and permanently disabled.

15 (2) Has an income for the preceding calendar year of not more than ~~fifteen~~
16 ~~thousand dollars (\$15,000)~~ twenty-five thousand dollars (\$25,000).

17 (3) Is a North Carolina resident.

18 An otherwise qualifying owner does not lose the benefit of this exclusion because of a
19 temporary absence from his or her permanent residence for reasons of health, or because
20

1 of an extended absence while confined to a rest home or nursing home, so long as the
2 residence is unoccupied or occupied by the owner's spouse or other dependent."

3 Section 2. G.S. 105-309(f) reads as rewritten:

4 "(f) The following information shall appear on each abstract or on an information
5 sheet distributed with the abstract. The abstract or sheet must include the address and
6 telephone number of the assessor below the notice required by this subsection. The notice
7 shall read as follows:

8
9 **'PROPERTY TAX RELIEF FOR ELDERLY AND**
10 **PERMANENTLY DISABLED PERSONS.**

11
12 North Carolina excludes from property taxes the first ~~twenty thousand dollars (\$20,000)~~
13 twenty-five thousand dollars (\$25,000) in appraised value of a permanent residence
14 owned and occupied by North Carolina residents aged 65 or older or totally and
15 permanently disabled whose income does not exceed ~~fifteen thousand dollars (\$15,000)~~.
16 twenty-five thousand dollars (\$25,000). Income means the owner's adjusted gross income
17 as determined for federal income tax purposes, plus all moneys received other than gifts
18 or inheritances received from a spouse, lineal ancestor or lineal descendant.

19 If you received this exclusion in (assessor insert previous year), you do not need to
20 apply again unless you have changed your permanent residence. If you received the
21 exclusion in (assessor insert previous year) and your income in (assessor insert previous
22 year) was above ~~fifteen thousand dollars (\$15,000)~~, twenty-five thousand dollars (\$25,000),
23 you must notify the assessor. If you received the exclusion in (assessor insert previous
24 year) because you were totally and permanently disabled and you are no longer totally
25 and permanently disabled, you must notify the assessor. If the person receiving the
26 exclusion in (assessor insert previous year) has died, the person required by law to list the
27 property must notify the assessor. Failure to make any of the notices required by this
28 paragraph before April 15 will result in penalties and interest.

29 If you did not receive the exclusion in (assessor insert previous year) but are now
30 eligible, you may obtain a copy of an application from the assessor. It must be filed by
31 April 15."

32 Section 3. G.S. 105-277.1A reads as rewritten:

33 **"§ 105-277.1A. Property classified for taxation at reduced valuation; duties of tax**
34 **collectors; reimbursement of localities for portion of tax lost.**

35 (a) On September 1, 1990, the tax collector of each county and the tax collector of
36 each city shall furnish to the Secretary of Revenue a list containing the name and address
37 of each person who has qualified in that year for the exemption provided in G.S. 105-
38 277.1. The list shall also contain for each name the total amount of property exempted,
39 the tax rate the property is subject to, and the product obtained by multiplying those two
40 numbers by each other. The lists shall be accompanied by an affidavit attesting to the
41 accuracy of the list and shall all be on a form prescribed by the Secretary of Revenue.

42 (a1) On December 1, 1997, the tax collector of each county and the tax collector of
43 each city shall furnish to the Secretary of Revenue two lists containing the name and

1 address of each taxpayer who has qualified in that year for the exemption provided in
2 G.S. 105-277.1. The first list shall include those taxpayers whose income was above
3 eleven thousand dollars (\$11,000) and the second list shall include those taxpayers whose
4 income was eleven thousand dollars (\$11,000) or less. On the first list, the tax collector
5 shall provide for each name the total amount of property exempted and on the second list,
6 the tax collector shall provide for each name the amount of property above fifteen
7 thousand dollars (\$15,000) exempted. On both lists, the tax collector shall provide the tax
8 rate the property is subject to and the product obtained by multiplying the tax rate by the
9 amount of property. The lists shall be accompanied by an affidavit attesting to the
10 accuracy of the list and shall be on a form prescribed by the Secretary of Revenue.

11 (a2) On December 1, 1998, the tax collector of each county and the tax collector of
12 each city shall furnish to the Secretary of Revenue two lists containing the name and
13 address of each taxpayer who has qualified in that year for the exemption provided in
14 G.S. 105-277.1. The first list shall include those taxpayers whose income was above
15 fifteen thousand dollars (\$15,000) and the second list shall include those taxpayers whose
16 income was fifteen thousand dollars (\$15,000) or less. On the first list, the tax collector
17 shall provide for each name the total amount of property exempted and on the second list,
18 the tax collector shall provide for each name the amount of property above twenty
19 thousand dollars (\$20,000) exempted. On both lists, the tax collector shall provide the tax
20 rate the property is subject to and the product obtained by multiplying the tax rate by the
21 amount of property. The lists shall be accompanied by an affidavit attesting to the
22 accuracy of the list and shall be on a form prescribed by the Secretary of Revenue.

23 (b) Repealed by Session Laws 1996, Second Extra Session, c. 18, s. 15.1(c).

24 (c) The Secretary of Revenue may, for cause, grant an extension for the
25 submission of a list required by this section.

26 (d) Before May 31, 1991, the Secretary of Revenue shall distribute to the county
27 or city fifty percent (50%) of the total for the entire list provided pursuant to subsection
28 (a) of this section of the product obtained by multiplying the tax exemption for each
29 taxpayer times the applicable tax rate. Each year thereafter, on or before May 31, the
30 Secretary of Revenue shall pay to each county and city that was entitled to receive a
31 distribution under this subsection in 1991 the amount it was entitled to receive in 1991.

32 (d1) Before May 31, 1998, the Secretary of Revenue shall distribute to the county
33 or city fifty percent (50%) of the total for both lists provided the preceding December 1
34 pursuant to subsection (a1) of this section of the product obtained by multiplying the
35 applicable tax rate times the amount listed for each taxpayer. Before May 31, 1999, the
36 Secretary of Revenue shall pay to each county and city the amount it received under this
37 subsection in 1998.

38 (d2) Before May 31, 1999, the Secretary of Revenue shall distribute to the county
39 or city the total for both lists provided the preceding December 1 pursuant to subsection
40 (a2) of this section of the product obtained by multiplying the applicable tax rate times
41 the amount listed for each taxpayer. Each year thereafter, on or before May 31, the
42 Secretary of Revenue shall pay to each county and city the amount it received under this
43 subsection in 1999.

1 (e) Any funds received by any county or city pursuant to this section because the
2 county or city was collecting taxes for another unit of government or special district shall
3 be credited to the funds of that other unit or district in accordance with regulations issued
4 by the Local Government Commission.

5 (f) In order to pay for the reimbursement under this section and the cost to the
6 Department of Revenue of administering the reimbursement, the Secretary of Revenue
7 shall draw from collections received under Division I of Article 4 of this Chapter an
8 amount equal to the reimbursement and the cost of administration."

9 Section 4. This act is effective for taxes imposed for taxable years beginning
10 on or after July 1, 1998. Notwithstanding the provisions of G.S. 105-282.1(a), an
11 application for the benefit provided in this act for the 1998-99 tax year shall be
12 considered timely if it is filed on or before September 1, 1998.