

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

H

D

HOUSE DRH30313-LYx-101 (4/14)

Short Title: Present-Use Value Changes.

(Public)

Sponsors: Representative Luebke.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO EXTEND THE PERIOD FOR WHICH DEFERRED TAXES ARE DUE
WHEN FORESTLAND NO LONGER QUALIFIES FOR PRESENT-USE VALUE
CLASSIFICATION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-277.4(c) reads as rewritten:

"(c) Deferred Taxes. – Land meeting the conditions for classification under G.S. 105-277.3 must be taxed on the basis of the value of the land for its present use. The difference between the taxes due on the present-use basis and the taxes that would have been payable in the absence of this classification, together with any interest, penalties, or costs that may accrue thereon, are a lien on the real property of the taxpayer as provided in G.S. 105-355(a). The difference in taxes must be carried forward in the records of the taxing unit or units as deferred taxes. The taxes become due and payable when the land fails to meet any condition or requirement for classification. Failure to have an application approved is ground for disqualification. The tax for the fiscal year that opens in the calendar year in which deferred taxes become due is computed as if the land had not been classified for that year, and taxes on agricultural or horticultural land for the preceding three fiscal years that have been deferred and taxes on forestland for the preceding five fiscal years that have been deferred are immediately payable, together with interest as provided in G.S. 105-360 for unpaid taxes. Interest accrues on the deferred taxes due as if they had been payable on the dates on which they originally became due. If only a part of the qualifying tract of land fails to meet a condition or requirement for classification, the assessor must determine the amount of deferred taxes applicable to that part and that amount becomes payable with interest as provided above. Upon the payment of any taxes deferred in accordance with this section for the three years or five years immediately preceding a disqualification, as applicable, all liens arising under this subsection are extinguished. The deferred taxes for any given

1 year may be paid in that year without the qualifying tract of land becoming ineligible
2 for deferred status."

3 **SECTION 2.** This act is effective for taxes imposed for taxable years
4 beginning on or after July 1, 2004.