

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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HOUSE BILL 1280

Short Title: Present-Use Value Changes.

(Public)

Sponsors: Representative Luebke.

Referred to: Finance.

May 14, 2003

A BILL TO BE ENTITLED

1 AN ACT TO EXTEND THE PERIOD FOR WHICH DEFERRED TAXES ARE DUE
2 WHEN FORESTLAND NO LONGER QUALIFIES FOR PRESENT-USE VALUE
3 CLASSIFICATION.
4

5 The General Assembly of North Carolina enacts:

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

7 "(c) Deferred Taxes. – Land meeting the conditions for classification under G.S.
8 105-277.3 must be taxed on the basis of the value of the land for its present use. The
9 difference between the taxes due on the present-use basis and the taxes that would have
10 been payable in the absence of this classification, together with any interest, penalties,
11 or costs that may accrue thereon, are a lien on the real property of the taxpayer as
12 provided in G.S. 105-355(a). The difference in taxes must be carried forward in the
13 records of the taxing unit or units as deferred taxes. The taxes become due and payable
14 when the land fails to meet any condition or requirement for classification. Failure to
15 have an application approved is ground for disqualification. The tax for the fiscal year
16 that opens in the calendar year in which deferred taxes become due is computed as if the
17 land had not been classified for that year, and taxes on agricultural or horticultural land
18 for the preceding three fiscal years that have been deferred and taxes on forestland for
19 the preceding five fiscal years that have been deferred are immediately payable,
20 together with interest as provided in G.S. 105-360 for unpaid taxes. Interest accrues on
21 the deferred taxes due as if they had been payable on the dates on which they originally
22 became due. If only a part of the qualifying tract of land fails to meet a condition or
23 requirement for classification, the assessor must determine the amount of deferred taxes
24 applicable to that part and that amount becomes payable with interest as provided
25 above. Upon the payment of any taxes deferred in accordance with this section for the
26 three years or five years immediately preceding a disqualification, as applicable, all
27 liens arising under this subsection are extinguished. The deferred taxes for any given
28 year may be paid in that year without the qualifying tract of land becoming ineligible
29 for deferred status."

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