

NORTH CAROLINA GENERAL ASSEMBLY
1973 SESSION

CHAPTER 448
SENATE BILL 387

AN ACT TO CLARIFY AND EXPAND THE GRANT OF TAX RELIEF FOR THE
PROPERTY OF ELDERLY PERSONS WITH LIMITED INCOMES.

The General Assembly of North Carolina enacts:

Section 1. Article 12 of Chapter 105 of the General Statutes is hereby amended by rewriting G.S. 105-277.1 to read as follows:

"§ 105-277.1. **Property classified for taxation at reduced valuation.** — (a) Class. The following class of property is hereby designated a special class under authority of Article V, Section 2(2), of the North Carolina Constitution and, after being listed, shall not be assessed or taxed: The first five thousand dollars (\$5,000) in assessed tax value of real and personal property of a North Carolina resident held and used by the owner for personal purposes, if, at any time during the year in which benefit of this classification is sought, the owner is 65 years of age or older, and the disposable income of the owner during the preceding calendar year was not more than five thousand dollars (\$5,000). Property in this class that passes to the surviving spouse at the death of a qualifying owner shall remain in the class if the surviving spouse is 60 years of age or older and if the surviving spouse meets and complies with all other requirements of this classification.

(b) Definitions. For purposes of this section, the following definitions shall apply:

- (1) A person is an 'owner' of real property when he holds legal or equitable title to a life estate, an estate for the life of another, a joint tenancy, or a tenancy in common, or when he holds individually or as a tenant by the entirety, the entire legal or equitable title, subject to easements, removable liens, and other similar encumbrances, if any. A person is an 'owner' of personal property when he holds legal or equitable title thereto alone or jointly with one or more other persons, subject to removable liens and other similar encumbrances, if any. When property that qualifies for the class defined in subsection (a), above, is owned by two or more persons, each owner whose interest falls within such class shall be entitled to apply the full amount of the exclusion afforded the class against the tax valuation of his interest, but no part of an exclusion available to one co-owner shall be applied to the interests of other owners of the same property and in no event shall the exclusion allowed against the valuation of qualifying property exceed \$5,000.
- (2) 'Disposable income' means adjusted gross income of the owner or of the owner and his or her spouse, if residing with the owner, as defined for North Carolina Income Tax purposes in G.S. 105-141.3, increased by amounts excluded from gross income pursuant to G.S. 105-141(b)(1), (2), (4), (8), (10), (12), (13), (14), (15) and (16).

(c) Application. To bring his property within the class defined in subsection (a), above, in any year, the taxpayer, if eligible for the exclusion provided in this section, shall, not later than May 1, supply the following information: date of birth and disposable income during the calendar year preceding the year in which the benefit of this classification is sought. A request

for such classification must be made each year in the manner and on the form prescribed herein.

(d) Multiple owners. If two or more persons share ownership of property that qualifies for any one of the classes defined in subsection (a), above, each shall make application as prescribed in subsection (c), above."

Sec. 2. G.S. 105-309 is hereby amended by redesignating (e) thereof as subsection (f) and inserting a new subsection to be designated subsection (e) and to read as follows:

"(e) The following form shall appear on each abstract and the information supplied therein shall be subject to the affirmation annexed to the abstract:

**"TAX RELIEF FOR THE PROPERTY
OF ELDERLY PERSONS WITH LIMITED INCOMES.**

If you are over 65 years of age, or if you will become 65 during the year for which you are listing property for taxation, and your disposable income did not exceed five thousand dollars (\$5,000) for the preceding calendar year, you are eligible for a tax exclusion of up to five thousand dollars (\$5,000) for property you hold and use for personal purposes. Disposable income is defined in G.S. 105-277.1(b)(2).

The following information must be supplied to claim this exclusion:

1. Date of Birth: _____

(Month)
(Day)
(Year)
2. Disposable income for _____: \$ _____

(Year)

This information is supplied under penalties prescribed by law of a fine not to exceed five hundred dollars (\$500.00) or imprisonment not to exceed six months for false affirmation according to G.S. 105-310."

Sec. 3. This act shall become effective and apply to all taxable years beginning on and after January 1, 1974.

In the General Assembly read three times and ratified, this the 11th day of May, 1973.