

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 666
HOUSE BILL 21

AN ACT TO AMEND G.S. 105-277.1(a)(2) TO INCREASE ANNUAL INCOME ALLOWABLE UNDER THE HOMESTEAD TAX EXEMPTION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-277.1 is hereby rewritten as follows:

"§ 105-277.1. Property classified for taxation at reduced valuation. — (a) The following class of property is hereby designated a special class under authority of Article V, Sec. 2(2), of the North Carolina Constitution and shall not be assessed for taxation: The first seven thousand five hundred dollars (\$7,500) in assessed value of property owned by a North Carolina resident and, if real property, occupied by the owner as his or her permanent residence and, if household personal property, used by the owner in connection with his or her permanent residence, provided that, as of January 1 of the year for which the benefit of this section is claimed:

- (1) the owner is either (i) 65 years of age or older or (ii) totally and permanently disabled, and
- (2) the owner's disposable income for the immediately preceding calendar year did not exceed nine thousand dollars (\$9,000), and
- (3) the owner makes application as herein provided.

For married applicants residing with their spouses, the disposable income of both spouses must be included, whether or not the property is in both names.

(b) **Definitions.** When used in this section, the following definitions shall apply:

- (1) An 'owner' of property means a person who holds legal or equitable title to the property, either individually or as a tenant by the entirety, a joint tenant, a tenant in common, a life estate or an estate for the life of another. Property owned and occupied by husband and wife as tenants by the entirety shall be entitled to the full benefit of this classification notwithstanding that only one of them meets the age or disability requirements herein provided. If the residence is a mobile home and is jointly owned by husband and wife, it shall be treated as property held by the entirety. When property is owned by two or more persons other than husband and wife and one or more of such owners qualifies for this classification, each qualifying owner shall be entitled to the full amount of the exclusion not to exceed his or her proportionate share of the valuation of the property. No part of an exclusion available to one co-owner may be claimed by any other co-owner and in no event shall the total exclusion allowed to a qualifying residence (including the household personal property therein) exceed seven thousand five hundred dollars (\$7,500).
- (2) 'Disposable income' means adjusted gross income as defined for North Carolina income tax purposes in G.S. 105-141.3 plus all other moneys received from every source other than gifts or inheritances received from a spouse, lineal ancestors, or lineal descendants.

(3) 'Household personal property' includes furniture, appliances, furnishings, cooking and eating utensils, lawn equipment and tools, clothing and other personal effects but not motor vehicles, boats or airplanes.

(4) 'Permanent residence' means legal residence. It includes the dwelling, the dwelling site, not to exceed one acre, and related improvements. The dwelling may be a single family residence, a unit in a multi-family residential complex or a mobile home. Notwithstanding the occupancy requirements of this classification, an otherwise qualified applicant shall not lose the benefit of the exclusion because of a temporary absence from his or her permanent residence for reasons of health, or because of an extended absence while confined to a rest home or nursing home, so long as the residence is unoccupied or occupied by the applicant's spouse or other dependent.

(5) A 'totally and permanently disabled person' means one who has a physical or mental impairment which substantially precludes him from obtaining gainful employment and such impairment appears reasonably certain to continue without substantial improvement throughout his lifetime.

(c) Application. Applications for the exclusion provided by this section are to be filed during the regular listing period but shall be accepted at any time during the calendar year for which they are to be effective. When property is owned by two or more persons other than husband and wife and one or more of them qualifies for this exclusion, each such owner shall apply separately for his or her proportionate share of the exclusion.

(1) Elderly applicants. Persons 65 years of age or older may apply for this exclusion by entering the appropriate information on the abstract on which they list their property for taxation.

(2) Disabled applicants. Persons who are totally and permanently disabled may apply for this exclusion by (1) entering the appropriate information on the abstract in which they list their property for taxation and (2) furnishing acceptable proof of their disability. Such proof shall be in the form of a certificate from a physician licensed to practice medicine in North Carolina or from a governmental agency authorized to determine qualification for disability benefits. After a disabled applicant has qualified for this classification, he or she shall not be required to furnish an additional certificate unless the applicant's disability is reduced to the extent that the applicant could no longer be certified for the taxation at reduced valuation."

Sec. 2. G.S. 105-309(f) is hereby rewritten as follows:

"(f) The following information shall appear on each abstract: PROPERTY TAX RELIEF FOR ELDERLY AND PERMANENTLY DISABLED PERSONS.

G.S. 105-277.1 excludes from property taxes the first seven thousand five hundred dollars (\$7,500) in assessed value of certain property owned by North Carolina residents aged 65 or older or totally and permanently disabled whose disposable income does not exceed nine thousand dollars (\$9,000). The exclusion covers real property occupied by the owner as his or her permanent residence and/or household personal property used by the owner in connection with his or her permanent residence. Disposable income includes all moneys received other than gifts or inheritances received from a spouse, lineal ancestors, or lineal descendants.

(1) Is the property listed on this abstract your permanent residence or household personal property used in connection with your permanent residence

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Yes No

(2) What is your date of birth? _____

(3) Did your disposable income last year exceed \$9,000?

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Yes No

If this application is based upon total and permanent disability, attach a certificate that certifies that you are totally and permanently disabled from a physician licensed as a medical doctor in North Carolina or a governmental agency authorized to make such determination."

Sec. 3. This act shall become effective January 1, 1978.

In the General Assembly read three times and ratified, this the 22nd day of June, 1977.