§ 105-277.02. Certain real property held for sale classified for taxation at reduced valuation.

(a) **(Effective for taxes imposed for taxable years beginning before July 1, 2022)** Residential Real Property. – Residential real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "residential real property" is real property that is intended to be sold and used as an individual's residence immediately or after construction of a residence, and the term excludes property that is either occupied by a tenant or used for commercial purposes such as residences shown to prospective buyers as models. Any increase in value of this classified property attributable to subdivision of, improvements other than buildings, or the construction of either a new single-family residence or a duplex on the property by the builder is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. In no event shall this exclusion extend for more than three years from the time the improved property was first subject to being listed for taxation by the builder.

(b) **(Effective for taxes imposed for taxable years beginning on or after July 1, 2022)** Residential Real Property. – Residential real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "residential real property" is real property that is intended to be sold and used as an individual's residence immediately or after construction of a residence, and the term excludes property that is either occupied by a tenant or used for commercial purposes such as residences shown to prospective buyers as models. Any increase in value of this classified property attributable to subdivision of the property, improvements other than buildings made on the property, or the construction of a new single-family residence, a townhouse, or a duplex on the property by the builder is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. In no event shall this exclusion extend for more than three years from the time the improved property was first subject to being listed for taxation by the builder.

(c) **(Effective for taxes imposed for taxable years beginning before July 1, 2019)** The builder must apply for any exclusion under this section annually as provided in G.S. 105-282.1.

(d) **(Effective for taxes imposed for taxable years beginning on or after July 1, 2019)** The builder must apply for any exclusion under this section as provided in G.S. 105-282.1.

(2015-223, s. 2; 2019-123, s. 2; 2021-113, s. 1.)