

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 2013

Short Title: Principal Residence Tax Credit.

(Public )

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Sponsors: Representatives Jack Hunt; Fletcher, Judy Hunt, James, Lutz, Miller, Rogers, R. Thompson, and Watkins.

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Referred to: Finance.

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May 11, 1989

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE A PROPERTY TAX CREDIT OF FIFTY DOLLARS  
3 AGAINST THE TAX ON A TAXPAYER'S PRINCIPAL RESIDENCE.

4 The General Assembly of North Carolina enacts:

5 Section 1. Article 12 of Chapter 105 of the General Statutes is amended by  
6 adding a new section to read:

7 "**§ 105-277.02. Tax credit for principal residence.**

8 (a) Classification. The following class of property is designated a special class  
9 of property under Article V, Section 2(2) of the North Carolina Constitution and shall  
10 be subject to the credit provided in this section: real property that is:

11 (1) Owned by a North Carolina resident;

12 (2) Occupied by the owner as his permanent residence; and

13 (3) Not used for any purpose other than the permanent residence of the  
14 owner and the owner's family.

15 The property classified under this section includes the dwelling, the dwelling site not  
16 to exceed two acres, and related improvements. The dwelling may be a single-family  
17 residence, a unit in a multi-family residential complex, or a manufactured home.  
18 Residential property does not lose the benefit of this section if the owner is temporarily  
19 absent for health reasons or absent for an extended period while confined to a rest home  
20 or nursing home for reasons of health, as long as the residence is unoccupied or is  
21 occupied by the owner's spouse or other dependent.

22 (b) Credit. There is allowed as a credit against the tax imposed by this  
23 Subchapter an amount equal to the amount of tax due on the taxpayer's real property

1 classified under this section for the taxable year, not to exceed fifty dollars (\$50.00). To  
2 claim this credit, a taxpayer must apply for the credit in accordance with G.S. 105-  
3 282.1. In applying the provisions of G.S. 105-282.1 to this section, the phrase 'entitled  
4 to exemption' means 'entitled to a credit'. A person who claims an exclusion under G.S.  
5 105-277.1 may not claim a credit under under this section.

6 (c) Multiple Owners. No more than one credit shall be allowed for the same real  
7 property classified under this section for the same taxable year. When real property  
8 classified under this section is owned by more than one person, each owner must apply  
9 separately for the credit and each owner may receive a credit of only the amount that  
10 would be allowed to a sole owner of the property divided by the number of owners.

11 (d) Reimbursement. On September 1 of each year, the tax collector of each  
12 taxing unit that collects property taxes shall furnish to the Secretary of Revenue a list  
13 containing the name and address of each person who has qualified in that year for the  
14 credit provided in this section and the amount of the credit allowed. The list shall be  
15 accompanied by an affidavit attesting to its accuracy and shall be on a form prescribed  
16 by the Secretary of Revenue. The taxing unit may provide a supplemental list on  
17 December 1. The Secretary of Revenue may, for cause, grant an extension for the  
18 submission of a list required or allowed by this subsection.

19 After receiving a certified list under this subsection, the Secretary of Revenue shall,  
20 within 60 days, pay to the taxing unit the total amount of credits included on the list.  
21 Any funds received by a taxing unit pursuant to this subsection because it was collecting  
22 taxes for another taxing unit shall be credited to the funds of that other unit in  
23 accordance with regulations issued by the Local Government Commission.

24 To pay for the reimbursement under this subsection and the cost to the Department  
25 of Revenue for administering the reimbursement, the Secretary of Revenue may  
26 withhold from net collections received by the Department under Article 2A and Article  
27 2C of Chapter 105 of the General Statutes an amount equal to the reimbursement and  
28 the cost of administration."

29 Sec. 2. G.S. 105-282.1(a)(3) reads as rewritten:

30 "(3) After an owner of property entitled to exemption under G.S.  
31 105-277.02, 105-277.1, 105-278.3, 105-278.4, 105-278.5, 105-  
32 278.6, 105-278.7, or 105-278.8 or exclusion under G.S. 105-275(3),  
33 (7) or (12) or G.S. 105-278 has applied for exemption and the  
34 exemption has been approved, such owner shall not be required to  
35 file applications in subsequent years except in the following  
36 circumstances:

- 37 a. New or additional property is acquired or improvements are added  
38 or removed, necessitating a change in the valuation of the property, or  
39 b. There is a change in the use of the property or the qualifications or  
40 eligibility of the taxpayer necessitating a review of the exemption."

41 Sec. 3. This act is effective for taxable years beginning on or after January 1,  
42 1990.