

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1609

Short Title: Raise Homestead Tax Exemption.

(Public)

Sponsors: Representatives Smith; Bowman, Grady, Miller, Redwine, and Robinson.

Referred to: Finance.

June 5, 1992

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE PROPERTY TAX HOMESTEAD EXEMPTION
3 AMOUNT AND THE ELIGIBILITY THRESHOLD.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 105-277.1 reads as rewritten:

6 **"§ 105-277.1. Property classified for taxation at reduced valuation.**

7 (a) The following class of property is designated a special class of property under
8 Article V, Sec. 2(2) of the North Carolina Constitution and shall be assessed for taxation
9 as follows. The first ~~twelve thousand dollars (\$12,000)~~ fifteen thousand dollars (\$15,000)
10 in assessed value of real property, or a mobile home, owned by a North Carolina
11 resident and occupied by the owner as his permanent residence shall not be assessed for
12 taxation if, as of January 1 of the year for which the benefit of this section is claimed:

13 (1) The owner is either 65 years of age or older or is totally and
14 permanently disabled; and

15 (2) The owner's disposable income for the preceding calendar year did not
16 exceed ~~eleven thousand dollars (\$11,000)~~; fifteen thousand dollars
17 (\$15,000); and

18 (3) The owner makes the required application.

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

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

23 (1) An 'owner' of property means a person who holds legal or equitable
24 title to the property, either individually or as a tenant by the entirety, a

1 joint tenant, a tenant in common, a life estate or an estate for the life of
2 another. Property owned and occupied by husband and wife as tenants
3 by the entirety shall be entitled to the full benefit of this classification
4 notwithstanding that only one of them meets the age or disability
5 requirements herein provided. If the residence is a mobile home and is
6 jointly owned by husband and wife, it shall be treated as property held
7 by the entirety. When property is owned by two or more persons other
8 than husband and wife and one or more of such owners qualifies for
9 this classification, each qualifying owner shall be entitled to the full
10 amount of the exclusion not to exceed his or her proportionate share of
11 the valuation of the property. No part of an exclusion available to one
12 co-owner may be claimed by any other co-owner and in no event shall
13 the total exclusion allowed to a qualifying residence (including the
14 household personal property therein) exceed ~~twelve thousand dollars~~
15 ~~(\$12,000)~~ fifteen thousand dollars (\$15,000).

16 (2) 'Disposable income' means adjusted gross income as defined for North
17 Carolina income tax purposes in G.S. 105-141.3 plus all other moneys
18 received from every source other than gifts or inheritances received
19 from a spouse, lineal ancestors, or lineal descendants.

20 (2a) Repealed by Session Laws 1985 (Reg. Sess., 1986), c.1982, s. 20.

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

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

36 (c) Application. – Applications for the exclusions provided by this section are to
37 be filed during the regular listing period, but, shall be accepted at any time up to and
38 through April 15 of the calendar year for which they are to be effective. When property
39 is owned by two or more persons other than husband and wife and one or more of them
40 qualifies for this exclusion, each such owner shall apply separately for his or her
41 proportionate share of the exclusion.

42 (1) Elderly Applicants. – Persons 65 years of age or older may apply for
43 this exclusion by entering the appropriate information on a form made
44 available by the assessor under G.S. 105-282.1.

1 (2) Disabled Applicants. – Persons who are totally and permanently
2 disabled may apply for this exclusion by (i) entering the appropriate
3 information on a form made available by the assessor under G.S. 105-
4 282.1 and (ii) furnishing acceptable proof of their disability. Such
5 proof shall be in the form of a certificate from a physician licensed to
6 practice medicine in North Carolina or from a governmental agency
7 authorized to determine qualification for disability benefits. After a
8 disabled applicant has qualified for this classification, he or she shall
9 not be required to furnish an additional certificate unless the
10 applicant's disability is reduced to the extent that the applicant could
11 no longer be certified for the taxation at reduced valuation."

12 Sec. 2. G.S. 105-309(f) reads as rewritten:

13 "(f) The following information shall appear on each abstract, or on an information
14 sheet distributed with the abstract. (The abstract or sheet must include the address and
15 telephone number of the assessor below the notice required by this subsection):

16
17 **"PROPERTY TAX RELIEF FOR ELDERLY AND**

18
19 **PERMANENTLY DISABLED PERSONS.**

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21
22 North Carolina excludes from property taxes the first ~~twelve thousand dollars~~
23 ~~(\$12,000)~~ fifteen thousand dollars (\$15,000) in assessed value of certain property owned
24 by North Carolina residents aged 65 or older or totally and permanently disabled whose
25 disposable income does not exceed eleven thousand dollars (\$11,000). The exclusion
26 covers real property, or a mobile home, occupied by the owner as his permanent
27 residence. Disposable income includes all moneys received other than gifts or
28 inheritances received from a spouse, lineal ancestors, or lineal descendants.

29 If you received this exclusion in (assessor insert previous year), you do not need to
30 apply again unless you have changed your permanent residence. If you received the
31 exclusion in (assessor insert previous year) and your disposable income in (assessor
32 insert previous year) was above ~~eleven thousand dollars (\$11,000)~~ fifteen thousand dollars
33 (\$15,000) you must notify the assessor. If you received the exclusion in (assessor insert
34 previous year) because you were totally and permanently disabled and you are no longer
35 totally and permanently disabled, you must notify the assessor. If the person receiving
36 the exemption in (assessor insert previous year) has died, the person required by law to
37 list the property must notify the assessor. Failure to make any of the notices required by
38 this paragraph before April 15 will result in penalties and interest.

39 If you did not receive the exclusion in (assessor insert previous year) but are now
40 eligible, you may obtain a copy of an application from the assessor. It must be filed by
41 April 15."

42 Sec. 3. This act is effective for taxes collected for taxable years beginning on
43 or after July 1, 1992. Notwithstanding the provisions of G.S. 105-282.1(a), an

- 1 application for the benefit provided in this act for the 1992-93 tax year shall be
- 2 considered timely if it is filed on or before September 1, 1993.