

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 865

Short Title: Expand Property Tax Homestead Exclusion. (Public)

Sponsors: Representatives Foushee and Insko (Primary Sponsors).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Finance.

April 15, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO EXPAND THE HOMESTEAD EXEMPTION AND CIRCUIT BREAKER.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-277.1 reads as rewritten:

5 "**§ 105-277.1. Elderly or disabled property tax homestead exclusion.**

6 (a) Exclusion. – A permanent residence owned and occupied by a qualifying owner is
7 designated a special class of property under Article V, Sec. 2(2) of the North Carolina
8 Constitution and is taxable in accordance with this section. The amount of the appraised value
9 of the residence equal to the exclusion amount is excluded from taxation. ~~The exclusion~~
10 ~~amount is the greater of twenty five thousand dollars (\$25,000) or fifty percent (50%) of the~~
11 ~~appraised value of the residence.~~ An owner who receives an exclusion under this section may
12 not receive other property tax relief. The exclusion amount is the greater of the following:

13 (1) Twenty-five thousand dollars (\$25,000).

14 (2) An amount equal to the following:

15 a. If there has not been a general reappraisal pursuant to G.S. 105-286
16 since the time the applicant became eligible for the exclusion allowed
17 under this section, fifty percent (50%) of the appraised value of the
18 residence.

19 b. If there has been a general reappraisal pursuant to G.S. 105-286 since
20 the time the applicant became eligible for the exclusion allowed
21 under this section, an amount equal to the sum of the following:

22 1. The difference between the appraised value of the residence
23 and the appraised value of the residence determined pursuant
24 to G.S. 105-286 as of January 1 of the year of eligibility,
25 cumulatively adjusted according to the annual consumer price
26 index until the year of the last general reappraisal conducted
27 pursuant to G.S. 105-286.

28 2. Fifty percent (50%) of the appraised value of the residence
29 determined pursuant to G.S. 105-286 as of January 1 of the
30 year of eligibility, cumulatively adjusted according to the
31 annual consumer price index until the year of the last general
32 reappraisal conducted pursuant to G.S. 105-286.

33 (a1) Ownership Requirements. – A qualifying owner is an owner who meets all of the
34 following requirements as of January 1 preceding the taxable year for which the benefit is
35 claimed:



- 1 (1) Is at least 65 years of age or totally and permanently disabled.
2 (2) Has an income for the preceding calendar year of not more than the income
3 eligibility limit.
4 (3) Is a North Carolina resident.

5 ~~(a1)~~(a2) Temporary Absence. – An otherwise qualifying owner does not lose the benefit
6 of this exclusion because of a temporary absence from his or her permanent residence for
7 reasons of health, or because of an extended absence while confined to a rest home or nursing
8 home, so long as the residence is unoccupied or occupied by the owner's spouse or other
9 dependent.

10 ~~(a2)~~(a3) Income Eligibility Limit. – For the taxable year beginning on July 1, ~~2008, 2013,~~
11 the income eligibility limit is ~~twenty five thousand dollars (\$25,000),~~ thirty thousand nine
12 hundred dollars (\$30,900), except that the limit is sixty-one thousand eight hundred dollars
13 (\$61,800) for married applicants residing with their spouses. For taxable years beginning on or
14 after July 1, ~~2009, 2014,~~ the income eligibility limit is the amount for the preceding year,
15 adjusted by the same percentage of this amount as the percentage of any cost-of-living
16 adjustment made to the benefits under Titles II and XVI of the Social Security Act for the
17 preceding calendar year, rounded to the nearest one hundred dollars (\$100.00). On or before
18 July 1 of each year, the Department of Revenue must determine the income eligibility amount
19 to be in effect for the taxable year beginning the following July 1 and must notify the assessor
20 of each county of the amount to be in effect for that taxable year.

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22 **SECTION 2.** G.S. 105-277.1B reads as rewritten:

23 "**§ 105-277.1B. Property tax homestead circuit breaker.**

24 ...

25 (c) Income Eligibility Limit. – The income eligibility limit provided in
26 ~~G.S. 105-277.1(a2)~~G.S. 105-277.1(a3) applies to this section.

27 ...

28 (e) Multiple Owners. – A permanent residence owned and occupied by ~~husband and~~
29 ~~wife~~multiple qualifying owners is entitled to the full benefit of the property tax homestead
30 circuit breaker notwithstanding that only one of them meets the length of occupancy and
31 ownership requirements and the age or disability requirement of this section. ~~When a~~
32 ~~permanent residence is owned and occupied by two or more persons other than husband and~~
33 ~~wife, no property tax homestead circuit breaker is allowed unless all of the owners qualify and~~
34 ~~elect to defer taxes under this section.~~

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36 **SECTION 3.** This act is effective for taxes imposed for taxable years beginning on
37 or after July 1, 2013.