

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 168
Committee Substitute Favorable 6/16/15

Short Title: Exempt Builders' Inventory.

(Public)

Sponsors:

Referred to:

March 9, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT FROM PROPERTY TAX THE INCREASE IN VALUE OF
3 RESIDENTIAL REAL PROPERTY HELD FOR SALE BY A BUILDER, TO THE
4 EXTENT THE INCREASE IS ATTRIBUTABLE TO SUBDIVISION OR
5 IMPROVEMENTS BY THE BUILDER.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 105-273(3a) is reenacted and reads as rewritten:

8 "(3a) "Builder" means a taxpayer ~~licensed as a general contractor under G.S. 87-1~~
9 ~~and~~ engaged in the business of buying real property, making improvements
10 to it, and then reselling it."

11 **SECTION 2.** Article 12 of Chapter 105 of the General Statutes is amended by
12 adding a new section to read:

13 "**§ 105-277.02. Certain real property held for sale classified for taxation at reduced**
14 **valuation.**

15 Residential real property held for sale by a builder is designated a special class of property
16 under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this
17 section, "residential real property" is real property that is intended to be sold and used as an
18 individual's residence immediately or after construction of a residence. Any increase in value of
19 this classified property attributable to subdivision of or other improvements made to the
20 property by the builder is excluded from taxation under this Subchapter as long as the builder
21 continues to hold the property for sale. In no event shall this exclusion extend for more than
22 three years from the time the improved property was first subject to being listed for taxation by
23 the builder. The builder must apply for this exclusion annually as provided in G.S. 105-282.1.
24 In appraising property classified under this section, the assessor shall specify what portion of
25 the value is an increase attributable to subdivision or other improvement by the builder."

26 **SECTION 3.** This act is effective for taxes imposed for taxable years beginning on
27 or after July 1, 2016.



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