

May 10, 2001

H 1450. NO TAX ON HOMES/EQUAL SCHOOL FUNDING. *TO TRANSFER RESPONSIBILITY FOR FUNDING PUBLIC SCHOOL CONSTRUCTION FROM THE COUNTIES TO THE STATE, TO EXEMPT OWNER OCCUPIED RESIDENCES FROM PROPERTY TAXES, AND TO LEVY AN INDIVIDUAL INCOME SURTAX TO REPLACE RESIDENTIAL PROPERTY TAX.* Amends GS 105-277.1 to create a property tax homestead exclusion. Exclusion applies to any permanent residence owned and occupied by a NC resident. Residence includes the dwelling site, not to exceed one acre. Provides that multiple owners who are not husband and wife are each entitled to an exclusion for his or her proportionate share of the value of the property. New section GS 105-134.2A is added to impose a surtax on every income tax payer in the amount of 25% of the tax payer's annual income tax liability. Provides that proceeds of the surtax must be used to reimburse cities pursuant to the formula set out in act for revenue lost as a result of the property tax exclusion. Remainder of proceeds to be credited to the Dep't of Public Instruction to fund public school capital needs. Effective for taxable years beginning on or after Jan. 1, 2002.

Intro. by Ellis.

Ref. to Finance	GS 105
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