

February 14, 2001

S 145. USE VALUE ROLLBACK MODIFIED. TO ELIMINATE ROLLBACK OF DEFERRED TAXES WHEN USE VALUE PROPERTY IS TRANSFERRED BETWEEN FARMERS, WITHOUT EXTINGUISHING THE LIEN FOR THE DEFERRED TAXES. Under current law, certain farm owners pay taxes based upon the use value of their property, rather than the market value, and the difference in the amount of taxes paid is deferred. However, certain actions—including the transfer of the property to another owner—can cause the deferred taxes to come due. Bill amends GS 105-277.3(b2) to eliminate this rollback when the property is transferred to another qualifying farm owner, but the lien for the deferred taxes is not extinguished. Effective for taxes imposed for taxable years beginning on or after July 1, 2001.

Intro. by Kinnaird.

Ref. to Finance	GS 105
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