

February 2, 2005

**H 36. EXPAND HOMESTEAD TAX BENEFIT VIA TAX CREDIT.** *AN ACT TO EXPAND THE HOMESTEAD EXCLUSION BY PROVIDING FOR AN INCOME TAX CREDIT FOR PROPERTY TAXES PAID ON A PRIMARY RESIDENCE BY ELDERLY AND DISABLED PERSONS WHOSE TAXABLE INCOMES ARE NOT MORE THAN THIRTY THOUSAND DOLLARS AS ADJUSTED ANNUALLY.* Adds new GS 105-151.29, providing for a refundable income tax credit to 50% of the property taxes paid by an eligible individual on a permanent residence. Defines an eligible individual as (1) at least 65 years old or totally and permanently disabled; (2) having a taxable income of not more than \$30,000 for tax year 2005, with the amount for subsequent tax years indexed based on cost-of-living adjustments in Social Security benefits; (3) a NC resident; and (4) not eligible for the property tax homestead exclusion of GS 105-277.1. Co-owners who are a married couple are entitled to the full credit even if only one of the couple meets the age or disability requirements. For other co-owners, each qualifying co-owner is entitled to the full credit not to exceed that co-owner's proportionate share of the property. If the credit amount exceeds the net tax owed by the taxpayer, the excess is refunded to the taxpayer. Effective beginning with 2005 tax year.

**Intro. by Allred.**

Ref. to Finance

GS 105