

April 18, 2007

H 1610. PROPERTY TAX DEFERRAL. Filed 4/18/07. *TO CREATE A PROPERTY TAX DEFERRAL BENEFIT FOR LOW-INCOME ELDERLY AND DISABLED INDIVIDUALS.*

Enacts new GS 105-277.1B (permanent residence tax deferral), which allows lower-income elderly and disabled homeowners to defer payment of up to 50% of the property taxes levied on their residences. Applies to a permanent residence occupied by an owner who (1) is a North Carolina resident; (2) is either permanently and totally disabled or at least 65 years old; and (3) until July 1, 2009, has income of no more than \$30,000 (for later taxable years the income requirement is the amount for the preceding year adjusted by the same percentage as the percentage of any Social Security cost of living adjustments). If the residence qualifies, the owner may choose to defer property taxes due on it. The deferred taxes bear interest at a rate of 5% from the date the tax is otherwise due until payment. Deferred taxes are payable (1) at the owner's death, (2) when the property is transferred, or (3) when the owner fails to occupy the residence for three successive years. If a residence loses its eligibility for deferral, no additional taxes may be deferred but those already deferred remain deferred. Deferral is not permitted if the amount of deferred taxes and interest exceeds 85% of the assessed value of the residence. The assessor must notify the taxpayer annually of the accumulated sum of deferred taxes and interest. An owner qualifying for both the homestead property tax exclusion under GS 105-277.1 and the permanent residence tax deferral may elect the permanent residence tax deferral instead of the property tax homestead exclusion. Makes conforming changes to GS 105-282.1(a)(2) (applications for property tax benefits), and GS 105-309(f) (notice regarding homestead tax relief). Effective for taxable years beginning on or after July 1, 2008.

Intro. by McElraft.

GS 105

May 14, 2007

H 1610. PROPERTY TAX DEFERRAL. Filed 4/18/07. House committee substitute makes the following changes to 1st edition. Corrects the statute number referenced in Section 2 of the bill.