

March 26, 2009

H 852. DEFER TAX ON BUILDERS' INVENTORY. Filed 3/26/09. *TO DEFER THE PROPERTY TAX DUE ON REAL PROPERTY HELD FOR SALE BY A BUILDER.*

Enacts GS 105-277.1D to provide that a builder may defer the portion of tax imposed on real property that represents the increase in value of the property attributable to improvements resulting from the construction of a residence on the property. Specifies when deferred taxes are due and payable. Sets a time frame for filing applications for property tax relief. Amends GS 105-273, providing that the term builder is defined as a taxpayer engaged in the business of buying real property, making improvements to it, and then reselling it. Amends GS 105-277.1F(a), adding a new subsection (2a) pertaining to GS 105-277.1D, inventory property tax deferrals. Effective for taxes imposed for taxable years beginning on or after July 1, 2009.

Intro. by Dickson, Brubaker, Holliman.

GS 105

June 4, 2009

H 852. DEFER TAX ON BUILDERS' INVENTORY. Filed 3/26/09. House committee substitute makes the following changes to 1st edition. Defines *builder* in proposed GS 105-273(3a) to mean a taxpayer *licensed as a general contractor under GS 87-1* and engaged in the business of buying real property, making improvements to it, and then reselling it. Clarifies in proposed GS 105-277.1D that a residence owned *and constructed* by a builder is designated as a special class of property under the NC Constitution and taxable in accordance with the statute. Exempts from the definition of *residence* remodeling, rehabilitating, or refinishing improvements by a builder to real property. Also specifies that a *residence* must be unoccupied and intended to be sold and used as an individual's residence for the purposes of this statute. Provides that a disqualifying event occurs at the earliest of (1) when the *builder* transfers the residence, (2) *when the residence is occupied by the builder or by someone other than the builder with the builder's consent*, (3) five years from the time the improved property was first subject to being listed for taxation by the builder, or (4) *three years from the time the improved property first received the property tax benefit provided by this statute*. Allows an application for property tax relief to be filed after the regular listing period upon showing of good cause by the applicant for failure to make a timely application, as determined and approved by the board of county commissioners (was, may be filed and accepted at any time up to and through June 1 preceding the tax year for which the relief is claimed). Provides that an approved untimely application applies only to property taxes levied by the county or municipality in the calendar year in which the untimely application is filed. Allows decisions of the county board to be appealed to the Property Tax Commission. Makes other clarifying and technical changes.

Provides that, notwithstanding GS 105-277.1D(e), an application filed within 60 days of the effective date of the act must be accepted by the county tax assessor as timely filed. Repeals the act for taxes imposed for taxable years beginning on or after July 1, 2012. Specifies that residences receiving the property tax benefit are not affected by the repeal until the occurrence of a disqualifying event.

June 24, 2009

H 852. DEFER TAX ON BUILDERS' INVENTORY. Filed 3/26/09. House committee substitute makes the following changes to 2nd edition. Amends title to read *AN ACT TO DEFER A PORTION OF THE PROPERTY TAX DUE ON REAL PROPERTY HELD FOR SALE BY A BUILDER*. Amends proposed GS 105-277.1D(a) to clarify that for purposes of the section, a "residence" is an improvement to certain real property other than remodeling, rehabilitating, refinishing or *renovation*. Deletes provision directing the county tax assessor to accept as filed in a timely manner an application filed within 60 days of the effective date of this act. Provides that

the act is effective for taxes imposed for taxable years beginning on or after July 1, 2010 (was, July 1, 2009). Repeals the act effective for taxes imposed for taxable years beginning on or after July 1, 2013 (was, July 1, 2012).

July 20, 2009

SL 2009-308 (H 852). DEFER TAX ON BUILDERS' INVENTORY. *AN ACT TO DEFER A PORTION OF THE PROPERTY TAX DUE ON REAL PROPERTY HELD FOR SALE BY A BUILDER.* Summarized in *Daily Bulletin* 3/26/09, 6/4/09, and 6/24/09. Enacted July 17, 2009. Effective for taxes imposed for taxable years beginning on or after July 1, 2010.