

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H.B. 273
Mar 11, 2021
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40181-MCf-118

Short Title: Modify Builders Inventory Tax Exclusion. (Public)

Sponsors: Representatives Potts, Bradford, Zenger, and Clemmons (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT FROM PROPERTY TAX THE INCREASE IN VALUE OF
3 TOWNHOUSES HELD FOR SALE BY A BUILDER, TO THE EXTENT THE INCREASE
4 IS ATTRIBUTABLE TO SUBDIVISION OR IMPROVEMENTS BY THE BUILDER.
5 The General Assembly of North Carolina enacts:
6 SECTION 1. G.S. 105-277.02(a) reads as rewritten:
7 "(a) Residential Real Property. – Residential real property held for sale by a builder is
8 designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina
9 Constitution. For purposes of this subsection, "residential real property" is real property that is
10 intended to be sold and used as an individual's residence immediately or after construction of a
11 residence, and the term excludes property that is either occupied by a tenant or used for
12 commercial purposes such as residences shown to prospective buyers as models. Any increase
13 in value of this classified property attributable to subdivision of, improvements other than
14 buildings, or the construction of ~~either a new single-family residence or a townhouse,~~
15 a duplex on the property by the builder is excluded from taxation under this Subchapter as long
16 as the builder continues to hold the property for sale. In no event shall this exclusion extend for
17 more than three years from the time the improved property was first subject to being listed for
18 taxation by the builder.
19"
20 SECTION 2. This act is effective for taxes imposed for taxable years beginning on
21 or after July 1, 2021.

