

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 273  
PROPOSED COMMITTEE SUBSTITUTE H273-PCS10378-SVf-14

Short Title: Modify Builders Inventory Tax Exclusion.

(Public)

Sponsors:

Referred to:

March 15, 2021

1 A BILL TO BE ENTITLED  
2 AN ACT TO EXEMPT FROM PROPERTY TAX THE INCREASE IN VALUE OF  
3 PROPERTY DUE TO THE CONSTRUCTION OF TOWNHOUSES HELD FOR SALE BY  
4 A 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, of the property,~~ improvements  
14 other than ~~buildings, buildings made on the property,~~ or the construction of ~~either~~ a new  
15 single-family ~~residence~~ residence, a townhouse, or a duplex on the property by the builder is  
16 excluded from taxation under this Subchapter as long as the builder continues to hold the property  
17 for sale. In no event shall this exclusion extend for more than three years from the time the  
18 improved property was first subject to being listed for taxation by the builder."  
19 **SECTION 2.** This act is effective for taxes imposed for taxable years beginning on  
20 or after July 1, 2021.

