

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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SENATE BILL DRS45238-MCf-103

Short Title: Property Tax Modifications. (Public)

Sponsors: Senators Moffitt, Hanig, and B. Newton (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODIFY THE MACHINERY ACT OF NORTH CAROLINA.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-275 reads as rewritten:  
5 "**§ 105-275. Property classified and excluded from the tax base.**

6 The following classes of property are designated special classes under Article V, Sec. 2(2),  
7 of the North Carolina Constitution and are excluded from tax:

8 ...

9 (16) ~~Non-business-qualified personal property.~~ – As used in this subdivision, the  
10 term "~~non-business-~~qualified personal property" means (i) personal property  
11 that is used by the owner of the property for a purpose other than the  
12 production of income and is not used in connection with a ~~business.~~ The term  
13 includes household furnishings, clothing, pets, lawn tools, and lawn  
14 equipment. ~~business~~ and (ii) personal property used by the owner of the  
15 property for production of income or in connection with a business, or both,  
16 provided the value of the property at the time of acquisition is equal to or less  
17 than twenty thousand dollars (\$20,000). The term does not include ~~motor~~  
18 ~~vehicles, mobile homes, aircraft, watercraft, or engines for watercraft.~~ the  
19 following items:

- 20 a. Motor vehicles, as defined in G.S. 20-4.01, that are registered pursuant  
21 to G.S. 20-50 and not otherwise exempt under this section.  
22 b. Mobile homes.  
23 c. Aircraft and watercraft required to be registered pursuant to State or  
24 federal law and not otherwise exempt under this section.

25 ...."

26 **SECTION 2.** G.S. 105-308 reads as rewritten:  
27 "**§ 105-308. Duty to list; penalty for failure.**

28 Every person in whose name any property is to be listed under the terms of this Subchapter  
29 shall list any changes, additions, or subtractions with respect to the property with the assessor  
30 within the time allowed by law on an abstract setting forth the information required by this  
31 Subchapter. If a person does not timely list property, there is a presumption that no changes,  
32 additions, or subtractions with respect to the property to be listed have occurred.

33 In addition to all other penalties prescribed by law, any person whose duty it is to list any  
34 changes, additions, or subtractions with respect to property who willfully fails or refuses to list  
35 the same within the time prescribed by law shall be guilty of a Class 2 misdemeanor. ~~The~~ If there



1 is a duty to list under this section, the failure to list shall be prima facie evidence that the failure  
2 was willful.

3 Any person who willfully attempts, or who willfully aids or abets any person to attempt, in  
4 any manner to evade or defeat the taxes imposed under this Subchapter, whether by removal or  
5 concealment of property or otherwise, shall be guilty of a Class 2 misdemeanor."

6 **SECTION 3.** Real and personal property located in the affected area, as defined in  
7 Section 1A.4 of S.L. 2024-57, is designated a special class of property under Article V, Section  
8 2(2) of the North Carolina Constitution and must have interest accruing on the property  
9 administered in accordance with this section. Notwithstanding G.S. 105-360, interest on an  
10 underpayment of property tax on real or personal property located in the affected area that (i)  
11 accrues for the period of January 7, 2025, through December 31, 2026, and (ii) is due on  
12 September 1, 2024, shall not be collected or, to the extent it is collected, shall be carried forward  
13 as a credit against the tax due the following year. This section does not apply to classified motor  
14 vehicles.

15 **SECTION 4.** Sections 1 and 2 of this act are effective for taxes imposed for taxable  
16 years beginning on or after July 1, 2025. The remainder of this act is effective when it becomes  
17 law.