

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

FILED SENATE
Apr 29, 2026
S.B. 898
PRINCIPAL CLERK

S

D

SENATE BILL DRS15407-Nifa-207A

Short Title: Citizens' Tax Relief Circuit Breaker Mods. (Public)

Sponsors: Senators Murdock, Mohammed, and Salvador (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE MONEY TO THE NORTH CAROLINA ASSOCIATION OF
3 COUNTY COMMISSIONERS TO PROMOTE THE STATE'S PROPERTY TAX RELIEF
4 PROGRAMS AND TO MODIFY THE PROPERTY TAX HOMESTEAD CIRCUIT
5 BREAKER.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.(a)** There is appropriated from the General Fund to the North Carolina
8 Association of County Commissioners (Association) the nonrecurring sum of two hundred fifty
9 thousand dollars (\$250,000) for the 2026-2027 fiscal year to be used by the Association to
10 provide grants to counties for advertising and promoting the State's property tax relief programs
11 under Subchapter II of Chapter 105 of the General Statutes.

12 **SECTION 1.(b)** This section becomes effective July 1, 2026.

13 **SECTION 2.(a)** G.S. 105-277.1B reads as rewritten:

14 **"§ 105-277.1B. Property tax homestead circuit breaker.**

15 ...

16 (b) Definitions. – The following definitions and, to the extent consistent with this section,
17 the definitions provided in G.S. 105-277.1 apply to this section-section:

18 (1) Hold harmless amount. – The tax deferred under subsection (f) of this section.

19 (2) Total hold harmless amount. – The sum of the following:

20 a. The hold harmless amount for all permanent residences in the county.

21 b. The hold harmless amount for all permanent residences in cities
22 located within the county.

23 (c) Income Eligibility Limit. – ~~The income eligibility limit provided in G.S.~~
24 ~~105-277.1(a2) applies to this section.~~ For the taxable year beginning July 1, 2027, the income
25 eligibility limit is forty-five thousand dollars (\$45,000). For taxable years beginning on or after
26 July 1, 2028, the income eligibility limit is the amount for the preceding year, adjusted by the
27 same percentage of this amount as the percentage of any cost-of-living adjustment made to the
28 benefits under Titles II and XVI of the Social Security Act for the preceding calendar year,
29 rounded to the nearest one hundred dollars (\$100.00).

30 (c1) Income Eligibility Limit for Married Applicants. – The income eligibility limit for
31 married applicants residing with their spouse is two hundred percent (200%) of the income
32 eligibility limit provided in subsection (c) of this section for the taxable year.

33 ...

34 (o) Reimbursement. – On or before September 1 of each year, each county tax collector
35 shall notify the Secretary of Revenue, in a manner prescribed by the Secretary, of the county's
36 total hold harmless amount. A county that fails to notify the Secretary of Revenue of its total hold



* D R S 1 5 4 0 7 - N I F A - 2 0 7 A *

1 harmless amount by the due date is barred from receiving a reimbursement under this subsection
2 for that taxable year. On or before December 31 of each year, the Secretary of Revenue shall
3 distribute to each county its respective total hold harmless amount.

4 Any funds received by a county that are attributable to a city within the county must be
5 distributed to that respective city. Any funds received by a county or city because the county or
6 city was collecting taxes for another unit of government or special district must be credited to the
7 funds of that other unit or district in accordance with regulations issued by the Local Government
8 Commission.

9 In order to pay for the reimbursement under this section and the cost to the Department of
10 Revenue of administering the reimbursement, the Secretary of Revenue shall draw from
11 collections received under Part 2 of Article 4 of this Chapter an amount equal to the
12 reimbursement and the cost of administration."

13 **SECTION 2.(b)** This section is effective for taxes imposed for taxable years
14 beginning on or after July 1, 2027.

15 **SECTION 3.** Except as otherwise provided, this act is effective when it becomes
16 law.