

GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION

CHAPTER 674
SENATE BILL 1146

AN ACT TO CLASSIFY FOR PROPERTY TAXATION PRECIOUS METALS USED
BY MANUFACTURERS AS MACHINERY.

The General Assembly of North Carolina enacts:

Section 1. Article 12 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-277.10. Taxation of precious metals used or held for use directly in manufacturing or processing by a manufacturer.

Precious metals, including rhodium and platinum, used or held for use directly in manufacturing or processing by a manufacturer as part of industrial machinery is designated a special class of property under Article V, Sec. 2(2) of the North Carolina Constitution and shall be assessed for taxation in accordance with this section. The classified property shall be assessed at the lower of its true value or the manufacturer's original cost less depreciation. The original cost of the classified property shall be adjusted by the index factor, if any, that applies in assessing the industrial machinery with which the property is used, and the depreciable life of the classified property shall be the life assigned to the industrial machinery with which the property is used. The residual value of the classified property may not exceed twenty-five percent (25%) of the manufacturer's original cost."

Sec. 2. G.S. 105-282.1(a) reads as rewritten:

"(a) Every owner of property claiming exemption or exclusion from property taxes under the provisions of this Subchapter has the burden of establishing that the property is entitled thereto. Except as provided below, an owner claiming exemption or exclusion shall annually file an application for exemption or exclusion during the listing period. If the property for which the exemption or exclusion is claimed is appraised by the Department of Revenue, the application shall be filed with the Department. Otherwise, the application shall be filed with the assessor of the county in which the property is situated. If the property covered by the application is located within a municipality, that fact shall be shown on the application. Each application filed with the Department of Revenue or an assessor shall be submitted on a form approved by the Department. Application forms shall be made available by the assessor and the Department, as appropriate.

- (1) The United States government, the State of North Carolina and the counties and municipalities of the State are exempted from the requirement that owners file applications for exemption.

- (2) Owners of the special classes of property excluded from taxation under G.S. 105-275(5), (15), (16), (26), (31), (33), or (34), or exempted under G.S. 105-278.2 are not required to file applications for the exclusion of that property.
- (3) After an owner of property entitled to exemption under G.S. 105-277.1, 105-278.3, 105-278.4, 105-278.5, 105-278.6, 105-278.7, or 105-278.8 or exclusion under G.S. 105-275(3), (7) or (12) or G.S. 105-278 has applied for exemption and the exemption has been approved, such owner shall not be required to file applications in subsequent years except in the following circumstances:
 - a. New or additional property is acquired or improvements are added or removed, necessitating a change in the valuation of the property, or
 - b. There is a change in the use of the property or the qualifications or eligibility of the taxpayer necessitating a review of the exemption.
- (4) After an owner of property entitled to exclusion under G.S. 105-277.10 has applied for the exclusion and the exclusion has been approved, the owner is not required to apply for the exclusion in subsequent years so long as the classified property, including classified property acquired after the application is approved, is used or held for use directly in manufacturing or processing as part of industrial machinery.
- (5) Upon a showing of good cause by the applicant for failure to make a timely application, an application for exemption or exclusion filed after the close of the listing period may be approved by the Department of Revenue, the board of equalization and review, the board of county commissioners, or the governing body of a municipality, as appropriate. An untimely application for exemption or exclusion approved under this subdivision applies only to property taxes levied by the county or municipality in the calendar year in which the untimely application is filed."

Sec. 3. This act is effective for taxable years beginning on or after January 1, 1989. Notwithstanding the provisions of G.S. 105-282.1, an application for the benefit provided in this act for the 1989 taxable year shall be considered timely if it is filed on or before September 1, 1989.

In the General Assembly read three times and ratified this the 25th day of July, 1989.