

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**SENATE DRS55112-LY-74 (3/13)**

Short Title: Property Tax on Yachts. (Public)

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Sponsors: Senator Ballantine.

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Referred to:

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1 A BILL TO BE ENTITLED  
2 AN ACT TO EXEMPT CERTAIN BOATS FROM PROPERTY TAX.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-304 is amended by adding a new subsection to read:

5 "(i) Boats. – The following provisions apply to boats:

6 (1) Repairs. – Notwithstanding subsection (d) of this section, a boat is not  
7 taxable in this State if it meets all of the following conditions:

8 a. It is owned by a nonresident individual or an entity that has no  
9 principal office in this State.

10 b. Its tax situs is normally outside of this State.

11 c. It is in this State solely for repair or renovation.

12 (2) Inventory. – Notwithstanding subsection (f) of this section, a boat is  
13 not taxable in this State if it meets all of the following conditions:

14 a. It is owned by a nonresident individual or an entity that has no  
15 principal office in this State.

16 b. Its tax situs is normally outside of this State.

17 c. It is in the possession of a person, other than the owner, who is  
18 engaged in business as a seller or broker of boats and with  
19 whom the owner has contracted to sell the boat.

20 **SECTION 2.** This act is effective for taxes imposed for taxable years  
21 beginning on or after July 1, 2004.