

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 533
Committee Substitute Favorable 5/12/15

Short Title: Modify PUV Exceptions to Disqualification.

(Public)

Sponsors:

Referred to:

April 6, 2015

A BILL TO BE ENTITLED

AN ACT TO MODIFY WHEN THE LIEN FOR DEFERRED TAXES ON LAND ELIGIBLE FOR PRESENT-USE VALUE CLASSIFICATION IS EXTINGUISHED IN ORDER TO PROMOTE SALES FOR LAND CONSERVATION USES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-277.4 reads as rewritten:

"§ 105-277.4. **Agricultural, horticultural and forestland.** – **Application; appraisal at use value; appeal; deferred taxes.**

...

(d) Set Exceptions. – Notwithstanding the provisions of subsection (c) of this section, if property loses its eligibility for present use value classification solely due to one of the following reasons, no deferred taxes are due and the lien for the deferred taxes is extinguished:

...

(2) ~~The property is conveyed by gift to a nonprofit organization and qualifies for exclusion from the tax base pursuant to G.S. 105-275(12) or G.S. 105-275(29).~~

...

(f) Variable Exception. – Notwithstanding the provisions of subsection (c) of this section, if property loses its eligibility for present-use value classification because the property is conveyed to a nonprofit organization and qualifies for exclusion from the tax base pursuant to G.S. 105-275(12) or G.S. 105-275(29). Deferred taxes are due as follows:

(1) If the property is conveyed at or below present-use value, no deferred taxes are due, and the lien for the deferred taxes is extinguished.

(2) If the property is conveyed for more than present-use value, a portion of the deferred taxes for the preceding three fiscal years is due and payable in accordance with G.S. 105-277.1F. The portion due is equal to the lesser of the amount of the deferred taxes or the deferred taxes multiplied by a fraction, the numerator of which is the sale price of the property minus the present-use value of the property and the denominator of which is the true value of the property minus the present-use value of the property."

SECTION 2. This act is effective for taxes imposed for taxable years beginning on or after July 1, 2015.

