

TAX RELIEF LEGISLATION

1. Elderly and Disabled Exclusion:

- a. Income level \$28,600 or below
- b. Must be 65 years of age or totally and permanently disabled
- c. Must be a North Carolina resident
- d. Reduction of \$25,000 or 50% of value of the home and up to 1 acre of land whichever is greater

2. Disabled Veterans Exclusion:

- a. Honorably Discharged Veterans **and**
- b. 100% disabled due to a service related injury
- c. Must be a North Carolina resident
- d. Reduction of \$45,000 off the value of the home and up to 1 acre of land

3. Circuit Breaker (DEFERRED TAXES)

- a. Must be 65 years of age or totally and permanently disabled
 - b. Must have owned and occupied property as the owner's permanent legal residence for five years.
 - c. Must be a North Carolina resident
 - d. Income cannot exceed \$42,900
 - e. Income below \$28,600 – taxes limited to 4% of income (requires annual application & income verification)
 - f. Income between \$28,600 and \$42,900 – taxes limited to 5% of income (requires annual application & income verification)
 - g. Deferred taxes are a lien on the property
 - h. Interest accrues on deferred taxes from the date they were originally due
 - i. Disqualifying event triggering rollback in taxes include:
death of the owner
transfer of the property
owner ceases to use the property as a permanent residence
 - j. Rollback taxes are for the last 3 years preceding the current year of deferred taxes plus accrued interest
 - k. For multiple owners – all owners must apply and qualify (estate by entirety does not count as multiple owners)
- ### 4. Use Value Classifications (Deferred Taxes)

1. Agriculture (open productive land –row crops, pasture land, hay)
 2. Forestry (for the commercial growing of timber)
 3. Horticulture
1. Requirements
 - a. Must have owned parcel for 4 years prior to January 1 of year in which application is being made
 - b. Or, must be owner's place of residence
 - c. Corporations, businesses and other partnerships must show documented proof that its principal business is actively engaged in the business of farming
 - d. Must have at least one 10 acre in open productive land to qualify
 - e. Must produce an average gross income of \$1000 per year on the land
 - f. Sound management means a program designed to obtain the greatest net return from the land consistent with its conservation and long-term improvements
 - g. Union County has established a sound management for row crops and horticultural of \$75.00 per acre
 - h. Union County has established a sound management for pasture land and hay of \$50.00 per acre
 - i. Forestland parcels must include a sound management plan prepared by a NC State Forester or a Certified Forestry Consultant for the commercial growing of timber and must be actively followed.
 - j. Deferred taxes are a lien on the property
 - k. If at any time, the parcel or a portion becomes ineligible for the program, under the requirements of General Statue 105-277, the deferred taxes and interest on the parcel become due for the current year and the past three (3) years for a total of four (4) years.
 - l. If there is a change in ownership or acreage (deed or new survey) a new application is required to be submitted to the Tax Office within 60 days of recording the document in Register of Deeds. If application is not received the deferred taxes plus interest will be billed accordingly and would result in being removed from the program.