

NORTH CAROLINA'S PRESENT USE PROPERTY TAX PROGRAM

The following is provided as a general guideline and may not address every possible situation. You should also contact the assessor before you buy, sell, or transfer ownership of real property that is enrolled in the present use program.

North Carolina General Statutes 105-277.2 through 105-277.6 allow a reduction in the assessed value of properties meeting specific requirements. The county will calculate property tax by applying the current tax rate to the use-value rather than the market value. This is not an exemption, but rather a deferral. A deferred tax is carried forward in the taxing records and a portion (present year plus three) of that would be due with interest should the property lose its eligibility. **NOTE - ALL PROPERTIES ARE SUBJECT TO PERIODIC AUDIT** per NCGS 105-296(j).

GENERAL GUIDELINES

The property must be owned by either:

- A natural person [individual(s)]
- A business entity having as its principle business the commercial production of agricultural, horticultural, or forest products (may qualify in some cases).
- Trusts, tenants in common, shareholders, partners, or members of an LLC (may qualify in some cases).

The property must have been owned by the current owner, or certain relatives of the current owner, for the four years preceding January 1 of the year for which the benefit is claimed. OR It must be the owner's place of residence. Contact the assessor's office for possible exception to the ownership requirement. The farm may be operated, and income produced by, someone other than the land owner.

Income must be from the sale of Ag. / Hort. products, livestock, or CRP payments (provide contract). Types of income that do not count toward minimum: ground rents, grazing, stud or boarding fees, leasing of equipment, animals, or hunting rights, fees for services such as plowing, spraying, picking, mowing, etc., tourism, sale of forestry products such as timber, pine straw, pine cones, bark, etc.

Application for present use must be filed with the assessor by **January 31** of the year for which the benefit is claimed, or within 30 days of the date showing on a notice of change in value. Late application is subject to approval by the Board of Commissioners (or E & R). A change in use must be reported to the assessor.

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AGRICULTURE CLASSIFICATION:

- One or more tracts, with at least one tract consisting of at least 10 acres.
- Qualifying acreage must be in actual production under sound management.
- Agriculture Land can include up to 19.99 ac of woodland (must be clearly identified; may require survey).
- An average gross income of at least \$1,000 per year for the preceding 3 years must have been produced directly from the land.

Examples of agriculture include the commercial production of:

CROPS

Tobacco
Seed Corn
Cotton
Grains
Barley
Wheat

CROPS

Field Corn
Soybeans
Peanuts
Hay/Alfalfa
Silage
Pasture Grasses

LIVESTOCK

Beef Cattle
Dairy Cattle
Goats
Poultry
Swine
CRP GRASS

HORTICULTURE CLASSIFICATION:

- One or more tracts, with at least one tract consisting of at least 5 acres.
- Qualifying acreage must be in actual production under sound management.
- Horticulture Land can include up to 19.99 ac of woodland (must be clearly identified; may require survey).
- An average gross income of at least \$1,000 per year for the preceding 3 years must have been produced directly from the land.

Examples of horticulture include the commercial production of:

FRUITS

Apples
Peaches
Strawberries
Grapes
Blueberries

VEGETABLES

Green Beans
Cabbage
Cucumbers
Potatoes
Squash
Sweet Corn
Sweet Potatoes
Tomatoes

NURSERY

Ornamental shrubs
Floral Products
Container-grown plants
CHRISTMAS TREES

FORESTRY CLASSIFICATION (COMMERCIAL PRODUCTION OF TIMBER):

- One or more tracts, with at least one tract consisting of at least 20 acres.
- Qualifying acreage must be in actual production under sound management.
- Qualifying acreage must be included in a written, comprehensive sound management plan (as of January 1), a copy of which should be on file with the assessor.