

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 408
Finance Committee Substitute Adopted 4/25/23
Third Edition Engrossed 4/27/23

Short Title: Property Tax Modifications.

(Public)

Sponsors:

Referred to:

March 30, 2023

A BILL TO BE ENTITLED
AN ACT TO MODIFY THE MACHINERY ACT OF NORTH CAROLINA.
The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-275 reads as rewritten:
"§ 105-275. Property classified and excluded from the tax base.

The following classes of property are designated special classes under Article V, Sec. 2(2), of the North Carolina Constitution and are excluded from tax:

...

(16) ~~Non-business~~ Qualified Personal Property. —As used in this subdivision, the term "~~non-business~~ qualified personal property" means (i) personal property that is used by the owner of the property for a purpose other than the production of income and is not used in connection with a ~~business~~. ~~The term includes household furnishings, clothing, pets, lawn tools, and lawn equipment.~~ business and (ii) personal property used for production of income in connection with the rental of a single-family residential dwelling unit, as that term is defined in G.S. 87-15.5, provided the item of personal property at the time of acquisition is valued at equal to or less than ten thousand dollars (\$10,000). A single-family residential dwelling unit does not include a bed and breakfast home or bed and breakfast inn as defined in G.S. 130A-247. The term does not include motor vehicles, mobile homes, aircraft, watercraft, or engines for watercraft. the following items:

- a. Motor vehicles, as defined in G.S. 20-4.01, that are registered pursuant to G.S. 20-50 and not otherwise exempt under this section.
- b. Mobile homes.
- c. Aircraft and watercraft required to be registered pursuant to State or federal law and not otherwise exempt under this section.

...."

SECTION 2. G.S. 105-308 reads as rewritten:
"§ 105-308. Duty to list; penalty for failure.

Every person in whose name any property is to be listed under the terms of this Subchapter shall list any changes, additions, or subtractions with respect to the property with the assessor within the time allowed by law on an abstract setting forth the information required by this Subchapter. If a person does not timely list property, there is a presumption that no changes, additions, or subtractions with respect to the property to be listed have occurred.



1 In addition to all other penalties prescribed by law, any person whose duty it is to list any
2 changes, additions, or subtractions with respect to property who willfully fails or refuses to list
3 the same within the time prescribed by law shall be guilty of a Class 2 misdemeanor. ~~The~~ If there
4 is a duty to list under this section, the failure to list shall be prima facie evidence that the failure
5 was willful.

6 Any person who willfully attempts, or who willfully aids or abets any person to attempt, in
7 any manner to evade or defeat the taxes imposed under this Subchapter, whether by removal or
8 concealment of property or otherwise, shall be guilty of a Class 2 misdemeanor."

9 **SECTION 3.** Notwithstanding G.S. 105-285 and G.S. 105-317, a county may
10 change the value of real property after January 1, 2023, effective for the taxable year beginning
11 July 1, 2023, based upon the schedule of values used to appraise real property in the county for
12 its last reappraisal if the county adopted a resolution to postpone a 2023 reappraisal between
13 January 1, 2023, and June 30, 2023. This authorization does not affect the requirement in
14 G.S. 105-286 to reappraise property at least once every eight years. If a county changes its values
15 of real property pursuant to this section, the schedule of values adopted by the board of county
16 commissioners and used to appraise real property in the county for its last reappraisal will remain
17 the schedule of values to be used to appraise real property until the county reappraises all real
18 property in accordance with G.S. 105-286.

19 **SECTION 4.** The Department of Revenue and any county that provides its own
20 business personal property listing form shall include a means for the taxpayer to indicate on the
21 listing form that business personal property owned by the taxpayer is not taxable because it is
22 "qualified personal property" used for the production of income in connection with the rental of
23 a single-family residential dwelling unit under G.S. 105-275(16)(ii).

24 **SECTION 5.** Sections 1 and 2 of this act are effective for taxes imposed for taxable
25 years beginning on or after July 1, 2024. The remainder of this act is effective when it becomes
26 law.