GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2025

S SENATE BILL 427

Short Title:	Property Tax Modifications.	(Public)
Sponsors:	Senators Moffitt, Hanig, and B. Newton (Primary Sponsors).	
Referred to:	Rules and Operations of the Senate	

March 25, 2025

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:

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- (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 by the owner of the property for production of income or in connection with a business, or both, provided the value of the property at the time of acquisition is equal to or less than twenty thousand dollars (\$20,000). The term does not include motor vehicles, mobile homes, aircraft, watercraft, or engines for watercraft.the following items:
 - <u>a.</u> <u>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.</u>
 - b. Mobile homes.
 - c. Aircraft and watercraft required to be registered pursuant to State or federal law and not otherwise exempt under this section.

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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 <u>any changes</u>, <u>additions</u>, <u>or subtractions with respect to</u> the property with the assessor within the time allowed by law on an abstract setting forth the information required by this Subchapter. <u>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.</u>

In addition to all other penalties prescribed by law, any person whose duty it is to list any <u>changes</u>, <u>additions</u>, <u>or subtractions with respect to property who willfully fails or refuses to list the same within the time prescribed by law shall be guilty of a Class 2 misdemeanor. The If there</u>



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is a duty to list under this section, the failure to list shall be prima facie evidence that the failure was willful.

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

SECTION 3. Real and personal property located in the affected area, as defined in Section 1A.4 of S.L. 2024-57, is designated a special class of property under Article V, Section 2(2) of the North Carolina Constitution and must have interest accruing on the property administered in accordance with this section. Notwithstanding G.S. 105-360, interest on an underpayment of property tax on real or personal property located in the affected area that (i) accrues for the period of January 7, 2025, through December 31, 2026, and (ii) is due on September 1, 2024, shall not be collected or, to the extent it is collected, shall be carried forward as a credit against the tax due the following year. This section does not apply to classified motor vehicles.

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SECTION 4. Sections 1 and 2 of this act are effective for taxes imposed for taxable years beginning on or after July 1, 2025. The remainder of this act is effective when it becomes law.