GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1639

Short Title:	Expand Disabled Vet Homestead Exclusion.	(Public)
Sponsors:	Representatives Underhill; and Tarleton.	
Referred to:	Homeland Security, Military, and Veterans Affairs, if favorable, Finance.	

May 7, 2009

A BILL TO BE ENTITLED

AN ACT TO EXPAND THE DISABLED VETERAN PROPERTY TAX HOMESTEAD EXCLUSION TO INCLUDE PARTIALLY DISABLED VETERANS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-277.1C reads as rewritten:

"**§ 105-277.1C. Disabled veteran property tax homestead exclusion.**

(a) ~~Exclusion. –~~ Classification. – A permanent residence owned and occupied by ~~an~~ a qualifying owner ~~who is a North Carolina resident and who is an honorably discharged disabled veteran or the unmarried surviving spouse of an honorably discharged disabled veteran~~ is designated a special class of property under Article V, Section 2(2) of the North Carolina Constitution and is taxable in accordance with this section. ~~The first forty-five thousand dollars ($45,000) of appraised value of the residence is excluded from taxation.~~ An owner who receives an exclusion under this section may not receive other property tax relief.

(b) Definitions. – The following definitions apply in this section:

(1) Disabled veteran. – A veteran of any branch of the Armed Forces of the United States who was discharged under honorable conditions and who, as of January 1 preceding the taxable year for which the exclusion allowed by this section is claimed, ~~receives benefits under 38 U.S.C. § 2101 or has a veteran's disability certification.~~is totally or partially disabled.

~~(2) Owner. – Defined in G.S. 105-277.1.~~

(2a) Partially disabled. – A veteran who is not totally disabled and has a certification by the United States Department of Veterans Affairs or another federal agency that he or she has a service-connected, permanent disability of thirty percent (30%) or greater.

(3) Permanent residence. – Defined in G.S. 105-277.1.

(4) Property tax relief. – Defined in G.S. 105-277.1.

(4a) Qualifying owner. – An owner, as defined in G.S. 105-277.1, who is a North Carolina resident and one of the following:

a. A disabled veteran.

b. The surviving spouse of a disabled veteran as long as the spouse does not remarry.

(4b) Totally disabled. – A veteran who received benefits under 38 U.S.C. § 2101 or has a certification by the United States Department of Veterans Affairs or another federal agency that he or she has a service-connected, permanent, and total disability.

~~(5) Veteran. – A veteran of any branch of the Armed Forces of the United States.~~

~~(6) Veteran's disability certification. – A certification by the United States Department of Veterans Affairs or another federal agency that a veteran has a permanent total disability that is service-connected.~~

(b1) Exclusion. – The amount of appraised value of the residence excluded from taxation is as follows:

(1) The first forty-five thousand dollars ($45,000) of appraised value for the residence of a qualifying owner where the veteran was totally disabled.

(2) The first ten thousand dollars ($10,000) of appraised value for the residence of any other qualifying owner.

(c) Temporary Absence. – An owner does not lose the benefit of this exclusion because of a temporary absence from his or her permanent residence for reasons of health or because of an extended absence while confined to a rest home or nursing home, so long as the residence is unoccupied or occupied by the owner's spouse or other dependent.

(d) Ownership by ~~Spouses.~~Tenants by the Entirety. – A permanent residence owned and occupied by husband and wife as tenants by the entirety is entitled to the full benefit of this exclusion notwithstanding that only one of them meets the requirements of this section.

(e) Other Multiple Owners. – This subsection applies to co-owners who are not husband and ~~wife.~~wife as tenants by the entirety. Each co-owner of a permanent residence must apply separately for the exclusion allowed under this section.

When one or more co-owners of a permanent residence qualify for the exclusion allowed under this section and none of the co-owners qualifies for the exclusion allowed under G.S. 105-277.1, each co-owner is entitled to the full amount of the exclusion allowed under this section. The exclusion allowed to one co-owner may not exceed the co-owner's proportionate share of the valuation of the property, and the amount of the exclusion allowed to all the co-owners may not exceed the exclusion allowed under this section.

When one or more co-owners of a permanent residence qualify for the exclusion allowed under this section and one or more of the co-owners qualify for the exclusion allowed under G.S. 105-277.1, each co-owner who qualifies for the exclusion allowed under this section is entitled to the full amount of the exclusion. The exclusion allowed to one co-owner may not exceed the co-owner's proportionate share of the valuation of the property, and the amount of the exclusion allowed to all the co-owners may not exceed the greater of the exclusion allowed under this section and the exclusion allowed under G.S. 105-277.1.

(f) Application. – An application for the exclusion allowed under this section should be filed during the regular listing period, but may be filed and must be accepted at any time up to and through June 1 preceding the tax year for which the exclusion is claimed. An applicant for an exclusion under this section must establish eligibility for the exclusion by providing a copy of the veteran's disability certification or evidence of benefits received under 38 U.S.C. § 2101."

SECTION 2. This act is effective for taxes imposed for taxable years beginning on or after July 1, 2009.