

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL DRS15412-NIF-35

Short Title: Disabled Veteran Property Tax Exemption. (Public)

Sponsors: Senator deViere (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY PROPERTY TAX EXEMPTIONS FOR PERMANENTLY DISABLED
3 VETERANS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Effective for taxes imposed for taxable years beginning on or after July
6 1, 2023, G.S. 105-277.1C reads as rewritten:

7 "**§ 105-277.1C. Disabled veteran property tax homestead exclusion.**

8 (a) Classification. – A permanent residence owned and occupied by a qualifying owner
9 is designated a special class of property under Article V, Section 2(2) of the North Carolina
10 Constitution and is taxable in accordance with this section. ~~The first forty-five thousand dollars~~
11 ~~(\$45,000) of first one hundred thousand dollars (\$100,000) of appraised value of the residence is~~
12 excluded from taxation. A qualifying owner who receives an exclusion under this section may
13 not receive other property tax relief.

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

15 (1) Disabled veteran. – A veteran of any branch of the Armed Forces of the United
16 States whose character of service at separation was honorable or under
17 honorable conditions and who satisfies one of the following requirements:

18 a. As of January 1 preceding the taxable year for which the exclusion
19 allowed by this section is claimed, the veteran had received benefits
20 under 38 U.S.C. § 2101.

21 b. The veteran has received a certification by the United States
22 Department of Veterans Affairs or another federal agency indicating
23 that, as of January 1 preceding the taxable year for which the exclusion
24 allowed by this section is claimed, he or she has a service-connected,
25 permanent, and total disability.

26 c. The veteran is deceased and the United States Department of Veterans
27 Affairs or another federal agency has certified that, as of January 1
28 preceding the taxable year for which the exclusion allowed by this
29 section is claimed, the veteran's death was the result of a
30 service-connected condition.

31 (2) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for
32 taxable years beginning on or after July 1, 2009.

33 (2a) Hold harmless amount. – The appraised value of a property excluded from
34 taxation under subsection (a) of this section, multiplied by the applicable local
35 tax rate.

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



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

2 (4a) Qualifying owner. – An owner, as defined in G.S. 105-277.1, who is a North
3 Carolina resident and one of the following:

4 a. A disabled veteran.

5 b. The surviving spouse of a disabled veteran who has not remarried.

6 (5), (6) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for
7 taxable years beginning on or after July 1, 2009.

8 (7) Service-connected. – Defined in 38 U.S.C. § 101.

9 (8) Total hold harmless amount. – The sum of the following:

10 a. The hold harmless amount for all property excluded from taxation
11 under subsection (a) of this section in the county.

12 b. The hold harmless amount for all property excluded from taxation
13 under subsection (a) of this section in the cities located in the county.

14 ...

15 (g) Reimbursement. – On or before September 1 of each year, each county tax collector
16 shall notify the Secretary of Revenue, in a manner prescribed by the Secretary, of the county's
17 total hold harmless amount. A county that fails to notify the Secretary of Revenue of its total hold
18 harmless amount by the due date is barred from receiving a reimbursement under this subsection
19 for that taxable year. On or before December 31 of each year, the Secretary of Revenue shall
20 distribute to each county its respective total hold harmless amount.

21 Any funds received by a county that are attributable to a city within the county must be
22 distributed to that respective city. Any funds received by a county or city because the county or
23 city was collecting taxes for another unit of government or special district must be credited to the
24 funds of that other unit or district in accordance with regulations issued by the Local Government
25 Commission.

26 In order to pay for the reimbursement under this section and the cost to the Department of
27 Revenue of administering the reimbursement, the Secretary of Revenue shall draw from
28 collections received under Part 2 of Article 4 of this Chapter an amount equal to the
29 reimbursement and the cost of administration."

30 **SECTION 2.** Effective for taxes imposed for taxable years beginning on or after July
31 1, 2025, G.S. 105-277.1C(a), as rewritten by Section 1 of this act, reads as rewritten:

32 "(a) Classification. – A permanent residence owned and occupied by a qualifying owner
33 is designated a special class of property under Article V, Section 2(2) of the North Carolina
34 Constitution and is taxable in accordance with this section. ~~The first one hundred thousand dollars~~
35 ~~(\$100,000)~~ first one hundred fifty thousand dollars (\$150,000) of appraised value of the residence
36 is excluded from taxation. A qualifying owner who receives an exclusion under this section may
37 not receive other property tax relief."

38 **SECTION 3.** Effective for taxes imposed for taxable years beginning on or after July
39 1, 2027, G.S. 105-277.1C(a), as rewritten by Section 2 of this act, reads as rewritten:

40 "(a) Classification. – A permanent residence owned and occupied by a qualifying owner
41 is designated a special class of property under Article V, Section 2(2) of the North Carolina
42 Constitution and is taxable in accordance with this section. ~~The first one hundred fifty thousand~~
43 ~~dollars (\$150,000)~~ appraised value of the residence is excluded from taxation. A qualifying
44 owner who receives an exclusion under this section may not receive other property tax relief."

45 **SECTION 4.** Sections 1, 2, and 3 of this act are effective when they become law.
46 The remainder of this act is effective when it becomes law.