

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE DRH30347-MC-110A (2/26)

Short Title: Expand Disabled Vet Homestead Exclusion.

(Public)

Sponsors: Representative Underhill.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO EXPAND THE DISABLED VETERAN PROPERTY TAX HOMESTEAD
3 EXCLUSION TO INCLUDE PARTIALLY DISABLED VETERANS.

4 The General Assembly of North Carolina enacts:

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

6 "§ 105-277.1C. Disabled veteran property tax homestead exclusion.

7 (a) ~~Exclusion.—Classification. — A permanent residence owned and occupied by an a~~
8 ~~qualifying owner who is a North Carolina resident and who is an honorably discharged disabled~~
9 ~~veteran or the unmarried surviving spouse of an honorably discharged disabled veteran is~~
10 ~~designated a special class of property under Article V, Section 2(2) of the North Carolina~~
11 ~~Constitution and is taxable in accordance with this section. The first forty five thousand dollars~~
12 ~~(\$45,000) of appraised value of the residence is excluded from taxation.—An owner who~~
13 ~~receives an exclusion under this section may 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
16 United States who was discharged under honorable conditions and who, as
17 of January 1 preceding the taxable year for which the exclusion allowed by
18 this section is claimed, receives benefits under 38 U.S.C. § 2101 or has a
19 veteran's disability certification is totally or partially disabled.

20 (2) Owner. — Defined in G.S. 105-277.1.

21 (2a) Partially disabled. — A veteran who is not totally disabled and has a
22 certification by the United States Department of Veterans Affairs or another
23 federal agency that he or she has a service-connected, permanent disability
24 of thirty percent (30%) or greater.

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

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

27 (4a) Qualifying owner. — An owner, as defined in G.S. 105-277.1, who is a North
28 Carolina resident and one of the following:

29 a. A disabled veteran.

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

32 (4b) Totally disabled. — A veteran who received benefits under 38 U.S.C. § 2101
33 or has a certification by the United States Department of Veterans Affairs or
34 another federal agency that he or she has a service-connected, permanent,
35 and total disability.



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

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

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

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

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

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

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

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

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

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

35 (f) Application. – An application for the exclusion allowed under this section should be
36 filed during the regular listing period, but may be filed and must be accepted at any time up to
37 and through June 1 preceding the tax year for which the exclusion is claimed. An applicant for
38 an exclusion under this section must establish eligibility for the exclusion by providing a copy
39 of the veteran's disability certification or evidence of benefits received under 38 U.S.C. §
40 2101."

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