

PRESENT USE VALUE DEFERMENT

What is Present Use Value?

It is the value of the land in its current use as agricultural land, horticultural land or forest land. The land meeting the eligibility requirements is taxed on the present-use value instead of market value of the land.

To be eligible for present-use values, a farm unit consisting of one or more tracts must meet the following requirements of North Carolina General Statute 105-277. Approval into the Present-Use Value Program constitutes an implied contract whereby you agree to abide by all the requirements of the program in exchange for the preferential benefits afforded by the program and the County agrees to continue to provide these benefits as long as you abide by the requirements of the program.

It is the property owner's responsibility to notify the County of all changes in and to the property. Failure to do so in a timely manner during the annual listing period shall result in penalties as set forth in N.C.G.S 105-277. The County is required by law to review the property at least once every eight years.

Application Requirements

Applications must be filed during the January listing period (January 1 – 31) or within thirty (30) days of a change in assessed value of the land.

Ownership Requirements

The farm must be owner's place of residence, or must have been owned by the owner or a close relative for the four (4) years preceding January 1, or the owner had other land in the use value program and this is a tract which was acquired during the past year and the tract was in the use value program or was eligible to be in the program under the prior owner. The tract must have met the size, income and other requirements under the prior owner.

Size Requirements

A farm unit of **agricultural land** must have at least one **ten (10)** acre tract actively engaged in the commercial production of growing crops or animals under a sound management program.

A farm unit of **horticultural land** must have at least one **five (5)** acre tract actively engaged in the commercial production of growing fruits, vegetables, nursery or floral products under a sound management program.

A farm unit of **forest land** must have at least one **twenty (20)** acre tract actively engaged in the commercial growing of trees under a sound forest management program.

Income Requirements

Agricultural land and horticultural land must have produced an average GROSS income for the past three years of \$1,000 per year. Generally, income from products produced by the land is included but service fees, stud fees, rent, etc. are not. Forest land does not have an income requirement. Even after the initial application, the land must continue to meet the income requirements to continue in Present Use program.

Sound Management Requirements

Sound management means a program of production designed to obtain the greatest net return from the land consistent with its conservation and long term improvement. Evidence must be given to indicate the use of acceptable management procedures which are practiced by commercial producers.

Forest land application must include a plan of management proposed by a North Carolina State Forester or a Certified Forestry Consultant of your choice which must be followed.

More detail on all of these requirements can be found on the North Carolina Department of Revenue website - www.dor.state.nc/us under Local Government, Property Tax Section, and Present-Use Value Program Guide.

Review of Eligibility

G.S. 105-296(J) requires a review of each property every eight (8) or revaluation cycle to insure eligibility is maintained. A new application may need to be completed in the event of deed activity or acreage change.

Payment of Deferred Taxes

If at any time, a tract or part of a tract of land becomes ineligible for present use value assessment under the requirements of G.S. 105-277, the deferred taxes including interest on that tract become due for the current and the past three (3) years. When changes in eligibility are not reported by the owner, a ten percent (10%) penalty for each year the ineligibility is unreported is required by the General Statutes 105-277.5.

Changes

Eligibility requirements are subject to change in accordance with North Carolina General Statutes.

Questions ?

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