



Guilford County

Tax Department

BUILDERS INVENTORY EXEMPTION APPLICATION INSTRUCTIONS

(Application Attached Below)

Requirements

- One-time single application is required for each parcel. (1)
- Parcel must exist for the Tax Year Exemption applied for.
- Parcel must be clearly identified with parcel number and address.
- Property must conform to the type and use requirements listed below.

Guidelines:

Residential Exemption Includes:

- Increase in value as of January 1st of the year applying for exemption.
- Subdivision of the property by plat.
- Non-structural improvements (paved streets, curbs, etc..)
- New single family homes or duplexes only - (duplex= units of 1 or 2 units only).
- Duration of exemption is 3 years from time that improvement was subject to being listed.

Disqualification Events:

- Sale of the property (4)
- Removal from the sales market
- Lease of the property
- Owners place of residence
- Model homes
- Commercial use of the property

Commercial Exemption Includes:

- Increase in value as of January 1st of the year applying for exemption
- Subdivision of the property by plat
- Non-structural improvements
- Duration of exemption is 5 years from time that improvement was subject to being listed.

Disqualification Events:

- Sale of the property
- Removal from the sales market
- Issuance of a building permit

Notes and Exceptions

1. New or updated applications are required if additional property is acquired or further improvements are made or removed.
2. Parcels that are exclusively platted and used as Common area or as a septic lot will be assessed at no value and do not need an exemption application.
3. Different owners cannot claim both land and building exemptions for the same year.
4. Parcels sold after July 1st maintain their exemption for the remainder of the tax year applied.

***Multiple Parcel Applications can use Spreadsheets if Ownership is same.**

QUESTIONS ABOUT THE BUILDERS INVENTORY EXEMPTION APPLICATION?

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BUILDER PROPERTY TAX EXCLUSION

Each improvement requires a one-time application under N.C.G.S. §105-282.1.

Application for Tax Year: _____ County: _____

Owner(s): _____

Mailing Address: _____

Home Phone: _____ Mobile: _____

Email Address: _____

Business Trade Name: _____

Mailing Address: _____

Business Phone: _____ Mobile: _____

Email Address: _____ Website: _____

Contact: (If different from above) _____ Phone: _____

Builder Information

Is the applicant a general contractor?

Yes General Contractor License No. _____

No For purposes of qualifying as a *builder* under G.S. 105-273(3a), please answer the following questions and attach supporting documentation as needed.

- a. Is your business registered with the NC Secretary of State? Yes No
- b. Address of principal place of business: _____
- c. How long have you been in the business of buying, improving, and reselling real property? _____
- d. How many properties do you currently own that are being improved and/or held for sale? _____

Property Information (Attach list if needed. For each item, check all applicable responses.)

List the property identification numbers and physical addresses/locations for the properties included in this application.

Property ID #	Address/Location/Subdivision	Improved?	
		Yes	No
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Identify the land type this application applies to:

Residential Is this application for a new: Subdivision Single Family Residence Duplex

Commercial Have improvements been made to the site? Yes No

Are there any new improvements under construction? Yes No

Were the improvements to the land or structures made after January 1, 2016? Yes No

Date site improvements began: _____ Date of final site improvements: _____

Identify the elements of construction that were in place as of January 1 of the year of application:

Grading/Site Preparation Curb and Gutter Streets Single Family/Duplex Utilities

Other: _____

What is the estimated percentage complete as of January 1 of the year of application? _____ %

Is this property held for sale? Yes No If yes, please provide MLS #: _____

Occupancy status: Rented Occupied (Not receiving rent) Vacant

Name of renter/occupant: _____

General Statutes

§ 105-273. Definitions.

(3a) "Builder" means a taxpayer engaged in the business of buying real property, making improvements to it, and then reselling it.

§ 105-277.02. Certain real property held for sale classified for taxation at reduced valuation.

(a) Residential Real Property. - Residential real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "residential real property" is real property that is intended to be sold and used as an individual's residence immediately or after construction of a residence, and the term excludes property that is either occupied by a tenant or used for commercial purposes such as residences shown to prospective buyers as models. Any increase in value of this classified property attributable to subdivision of, improvements other than buildings, or the construction of either a new single-family residence or a duplex on the property by the builder is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. In no event shall this exclusion extend for more than three years from the time the improved property was first subject to being listed for taxation by the builder.

(b) Commercial Property. - Commercial real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "commercial real property" is real property that is intended to be sold and used for commercial purposes immediately or after improvement. Any increase in value of this classified property attributable to subdivision of or other improvements made to the property, by the builder, is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. The exclusion authorized by this subsection ends at the earlier of the following:

- (1) Five years from the time the improved property was first subject to being listed for taxation by the builder.
- (2) Issuance of a building permit.
- (3) Sale of the property.

(c) The builder must apply for any exclusion under this section as provided in G.S. 105-282.1.

(d) In appraising property classified under this section, the assessor shall specify what portion of the value is an increase attributable to subdivision or other improvement by the builder.

This legislation effective for taxes imposed for taxable years beginning on or after July 1, 2016, and applies to subdivision of or other improvements made on or after July 1, 2015. A one-time application is required for taxes imposed for taxable years beginning on or after July 1, 2019.

§ 105-285. Date as of which property is to be listed and appraised.

(d) Real Property. - The value of real property shall be determined as of January 1 of the years prescribed by G.S. 105-286 and G.S. 105-287. The ownership of real property shall be determined annually as of January 1, except in the following situation: When any real property is acquired after January 1, but prior to July 1, and the property was not subject to taxation on January 1 on account of its exempt status, it shall be listed for taxation by the transferee as of the date of acquisition and shall be appraised in accordance with its true value as of January 1 preceding the date of acquisition; and the property shall be taxed for the fiscal year of the taxing unit beginning on July 1 of the year in which it is acquired. The person in whose name such property is listed shall have the right to appeal the listing, appraisal, and assessment of the property in the same manner as that provided for listings made as of January 1.

In the event real property exempt as of January 1 is, prior to July 1, acquired from a governmental unit that by contract is making payments in lieu of taxes to the taxing unit for the fiscal period beginning July 1 of the year in which the property is acquired, the tax on such property for the fiscal period beginning on July 1 immediately following acquisition shall be one half of the amount of the tax that would have been imposed if the property had been listed for taxation as of January 1.

Affirmation

I, the undersigned, declare under penalties of law that this application and any attachments are true and correct to the best of my knowledge and belief. I have read the applicable exclusion and listing statutes above. I fully understand that a transfer or failure to meet the statutory qualifications will result in the loss of the exclusion.

Signature of Owner (All tenants of tenancy in common must sign.)

Title

Date

Signature of Owner (All tenants of tenancy in common must sign.)

Title

Date

Signature of Owner (All tenants of tenancy in common must sign.)

Title

Date

The county tax assessor may contact you for additional information after reviewing this application.