LAW
MACHINERY ACT OF N.C.
N.C. GENERAL STATUTE
105 - 277.1B

YOUR PERMANENT RESIDENCE INCLUDES YOUR DWELLING PLUS RELATED IMPROVEMENTS AND UP TO 1 ACRE OF LAND. A DWELLING CAN BE A SINGLE FAMILY HOUSE, A CONDO OR A MANUFACTURED HOME.

UNTIL A DISQUALIFICATION EVENT OCCURS, THE DEFERRED TAXES WILL NOT BECOME DUE. SINCE INCOME CAN VARY FROM YEAR TO YEAR IT IS POSSIBLE THAT YOU MAY QUALIFY ONE YEAR, BUT NOT THE NEXT, AND THEN RE-QUALIFY IN A SUBSEQUENT YEAR. THE HOMESTEAD CIRCUIT BREAKER REQUIRES A NEW APPLICATION TO BE SUBMITTED EVERY YEAR.

AN ANNUAL APPLICATION FOR THE CIRCUIT BREAKER MAY BE TIMELY FILED UP TO AND THROUGH JUNE 1.

WHEN PROPERTY IS OWNED BY MULTIPLE OWNERS (OTHER THAN HUSBAND & WIFE), EVERY OWNER MUST MEET THE QUALIFICATIONS AND ELECT TO DEFER THE TAXES UNDER THE CIRCUIT BREAKER.

PROOF OF DISABILITY MUST BE IN THE FORM OF A CERTIFICATE FROM A PHYSICIAN LICENSED TO PRACTICE MEDICINE IN NORTH CAROLINA OR FROM A GOVERNMENT AGENCY AUTHORIZED TO DETERMINE DISABILITY.

A DISABILITY LETTER FROM THE SOCIAL SECURITY ADMINISTRATION CANNOT BE ACCEPTED AS PROOF OF DISABILITY, UNLESS THE LETTER MEETS THE STATUTORY REQUIREMENTS.

SOCIAL SECURITY NUMBER INFORMATION IS MANDATORY AND WILL BE USED TO ESTABLISH THE IDENTIFICATION OF THE APPLICANT, (42 U.S.C. Section 405(c)(2)(C)(i)}.

RUTHERFORD

COUNTY

MAILING ADDRESS:

Rutherford County Tax Dept.
PO BOX 143
Rutherfordton, NC 28139

PHYSICAL ADDRESS:

Rutherford County Courthouse
229 N Main St
Rutherfordton, NC 28139

TELEPHONE NUMBERS:

(828) 287-6175 Phone
(828) 287-6179 Fax

INTERNET ADDRESS:

www.rutherfordcountync.gov

Homestead
Circuit Breaker
Tax Deferment Program

Rutherford County

PROPERTY TAX RELIEF FOR
ELDERLY
OR
PERMANENTLY DISABLED
PERSONS

- THE DEFERRED TAXES ARE A **LIEN** ON YOUR PROPERTY.

- THE HOMESTEAD CIRCUIT BREAKER IS THE DEFERRAL OF PROPERTY TAXES THAT EXCEED A TAX LIMITATION. THIS TAX DEFERMENT PROGRAM IS FOR NC RESIDENTS WHO MEET ALL OF THE QUALIFICATIONS FOR THE HOMESTEAD EXCLUSION PLUS THEY HAVE LIVED IN AND OWNED THEIR CURRENT RESIDENCE FOR **AT LEAST FIVE YEARS**.

- **INTEREST ACCRUES** ON DEFERRED TAXES AS IF THEY HAD BEEN PAYABLE ON THE DATES ON WHICH THEY WOULD HAVE ORIGINALLY BECOME DUE.

- **AN ANNUAL APPLICATION IS REQUIRED.**

- **UPON A DISQUALIFYING EVENT, THE LAST THREE YEARS OF DEFERRED TAXES PLUS INTEREST BECOME DUE AND PAYABLE.**

OWNERSHIP REQUIREMENTS

1. MUST BE A NORTH CAROLINA RESIDENT

AND

2. MUST BE AT LEAST 65 YEARS OF AGE OR TOTALLY AND PERMANENTLY DISABLED ON OR BEFORE JANUARY 1 OF CURRENT YEAR

AND

3. MUST HAVE OWNED AND OCCUPIED PERMANENT RESIDENCE FOR AT LEAST FIVE (5) YEARS AS OF JANUARY 1 OF CURRENT YEAR

AND

4. 2013 APPLICANTS:
   2012 INCOME CANNOT EXCEED $42,150

2013 TAX LIMITATION	
2012 INCOME = $0—$28,100	TAXES ARE LIMITED TO 4% OF INCOME
2012 INCOME = $28,101—$42,150	TAXES ARE LIMITED TO 5% OF INCOME
2012 INCOME = OVER $42,150	DOES NOT QUALIFY

INCOME EXAMPLES:
WAGES - SOCIAL SECURITY - DISABILITY - SSI- - VA BENEFITS - PENSIONS - ANNUITIES - INTEREST - DIVIDENDS- IRA DISTRIBUTIONS - 401K & 457 DISTRIBUTIONS- - WORKER'S COMPENSATION -ALIMONY-A.F.D.C.-FOSTER CARE PAYMENTS - UNEMPLOYMENT - RENTAL, BUSINESS, FARM & GAMBLING INCOME- RAILROAD RETIREMENT - CAPITAL GAIN ..... .ETC

ESTIMATED DEFERRED TAX WORKSHEET	
(A) 2013 TAX ON RESIDENCE (ESTIMATED) *DWELLING PLUS RELATED IMPROVEMENTS & UP TO 1 ACRE OF LAND	(A) $_____
(B) TAX LIMITATION: 2012 INCOME: $0—$28,100 x 4% = (OR) 2012 INCOME: $28,101—$42,150 x 5% =	(B) $_____
(C) ESTIMATED DEFERRED TAX **SUBTRACT BOX (B) FROM (A)**	(C) $_____

IF (A) IS NOT GREATER THAN (B), THEN YOU DO NOT QUALIFY FOR THE CIRCUIT BREAKER.

IF YOUR 2012 INCOME WAS $28,100 OR LESS YOU MAY QUALIFY FOR THE ELDERLY OR DISABLED EXCLUSION.

TEMPORARY ABSENCE

A QUALIFIED OWNER DOES NOT LOSE THE BENEFIT OF THIS EXCLUSION BECAUSE OF A TEMPORARY ABSENCE FROM THEIR 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.

DISQUALIFYING EVENTS

- DEATH OF OWNER (exception: property passes to co-owner or spouse)

- TRANSFER OF PROPERTY {exception: transferred to co-owner or spouse (divorce)}

- OWNER CEASES TO USE THE PROPERTY AS A PERMANENT RESIDENCE

UPON A DISQUALIFYING EVENT, THE LAST THREE YEARS OF DEFERRED TAXES PLUS INTEREST BECOME DUE AND PAYABLE.