

## **LAW**

### **MACHINERY ACT OF NORTH CAROLINA**

**NORTH CAROLINA  
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, CONDO, OR 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 1ST.

WHEN PROPERTY IS OWNED BY MULTIPLE OWNERS (OTHER THAN HUSBAND AND 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)}.

# **Jackson County Tax Administration**



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## **2017 CIRCUIT BREAKER TAX DEFERRAL PROGRAM**



## **JACKSON COUNTY**



- 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 N.C. 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

- MUST BE A NORTH CAROLINA RESIDENT

AND

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

AND

- MUST HAVE OWNED AND OCCUPIED A PERMANENT RESIDENCE FOR **FIVE (5)** CONSECUTIVE YEARS AS OF JANUARY 1 OF THE CURRENT YEAR.

AND

- INCOME REQUIREMENT FOR 2017 APPLICANTS:

2016 INCOME CANNOT EXCEED **\$44,250**

## 2017 TAX LIMITATION

2016 INCOME = \$0 - \$29,500      TAXES ARE LIMITED TO 4% OF INCOME

2016 INCOME = \$29,500 - \$44,250      TAXES ARE LIMITED TO 5% OF INCOME

2016 INCOME = OVER \$44,250      DOES NOT QUALIFY

### INCOME EXAMPLES:

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

### ESTIMATED DEFERRED TAX WORKSHEET

(A) **2017 ESTIMATED TAX**      (A) \$ \_\_\_\_\_

ON RESIDENCE (DWELLING PLUS RELATED IMPROVEMENTS & UP TO 1 ACRE OF LAND)

(B) TAX LIMITATION:      (B) - \$ \_\_\_\_\_

2016 INCOME: \$0 - \$28,600 x 4% =

(OR)

2016 INCOME: \$28,601 - \$44,250 x 5% =

(C) ESTIMATED DEFERRED TAX

SUBTRACT BOX (B) FROM BOX (A)      (C) \$ \_\_\_\_\_

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

If your 2016 income was equal to or less than **\$29,500**; you may qualify for an Age/ Disability Exemption. Please contact our office for additional information.

## 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.**