

NC Tax Relief Programs

In general, the state sets property tax exemptions and local governments cannot create their own exemptions or modify existing ones. State law also restricts the authority of local governments to waive property taxes.¹ Some local jurisdictions have supplemented state tax relief by offering grants. For example, Durham offers grants of \$1000-1500 (based on a sliding scale of 30-80% AMI and 40-60% of tax bill) to assist low-income households with paying property tax through its low-income house relief program.²

Homestead Exclusion Program: A state assistance program for the elderly and permanently disabled that offers a discount for 2020 of \$25,000 or 50% of the appraised value of your home plus the value of up to 1.0 acre of land, whichever is greater.

Eligibility Requirements:

- Be at least 65 years old or permanently disabled on January 1
- Have income below \$33,800
- Property on application is your permanent residence
- Be the owner of your home as January 1st

Disabled American Veteran Assistance: This state program offers a tax discount of \$45,000 to qualifying veterans who were honorably discharged from any branch of military service.

Eligibility Requirements:

- The property owner must be a veteran or never-remarried surviving spouse of a veteran of any branch of the US Armed Forces with an honorable or under honorable conditions discharge AND
- If owned by a veteran: The veteran must either 1) have a permanent and total service-connected disability of 100% or 2) receive benefits for specially adapted housing under 38 U.S.C. 2101
- If owned by a surviving spouse: The property owner must be the surviving spouse of either 1) a veteran who had a permanent and total service-connected disability or 2) a veteran that received benefits for specially adapted housing under 38 U.S.C. 2101 or 3) a veteran who died as a result of a service-connected condition

Circuit Breaker Program, or Tax Deferral: This program creates a lien on the property and is a tax deferral program. Multiple owners of a permanent residence must all qualify for the deferral. Under the program, taxes above 4-5% of income (4% if earn below \$33,800, 5% if between \$33,800 and \$50,700) will be deferred. The income eligibility limit for 2023 is \$50,700. If an owner transfers the residence, dies, or ceases to use the property as a permanent residence then the responsible party must pay taxes from the last three years of program participation.

¹ <https://canons.sog.unc.edu/2019/08/gentrification-and-property-tax-relief/>

² <https://www.dconnc.gov/county-departments/departments-f-z/social-services/aging-and-adult-services/low-income-housing-relief-lihr>