North Carolina offers three property tax relief programs for the permanent residence of qualified homeowners. The deadline to submit an application is June 1 of each year. Late applications may be considered for good cause through December 31. Contact your local county tax office.

1) Elderly or Disabled Exclusion – Applicants must be 65 years of age or totally and permanently disabled. In addition, the previous year’s total income for both an applicant and spouse cannot exceed $27,100. For unmarried joint property owners, each owner must apply separately and benefit limitations may apply based on the percent of ownership.

NC General Statute 105-277.1 - This program excludes from taxation the first $25,000 or 50% (whichever is greater) of assessed value for the permanent residence. Exclusion means some of the value will not be considered when your tax bill is created. If you do not qualify for the program in future years, the excluded value from prior years does not become taxable. Once approved for the Elderly or Disabled Exclusion, you do not need to reapply unless your permanent residence has changed, your income now exceeds the current annual income eligibility limit, or you are no longer totally and permanently disabled. If the person receiving the exclusion last year was deceased prior to January 1, the person required by law to list the property must notify the county tax office. The surviving spouse or joint property owner is required to reapply for the exclusion if qualified. Failure to make any of these notices before June 1 will result in penalties, interest, and the possible loss of the exclusion.

2) Circuit Breaker Tax Deferment Program – Applicants must be 65 years of age or totally and permanently disabled. The previous year’s total income for both an applicant and spouse cannot exceed $40,650. For unmarried joint property owners, each owner must apply and qualify separately. In addition, all owners must have owned and occupied the residence for the previous five years.

NC General Statute 105-277.1B - Under this program, taxes for each year are limited to a percentage of the owner’s income. Taxes above the limitation amount are deferred, which means delayed until a future date. The last three years of deferred taxes become payable with interest if a disqualifying event occurs. Disqualifying events include death of the owner or transfer of the property where the owner’s share is not passed to another qualifying owner, and failure to use the property as the owner’s permanent residence. For an owner whose income does not exceed $27,100, the owner’s taxes will be limited to 4% of their income. For an owner whose income exceeds $27,100 but does not exceed $40,650, the owner’s taxes will be limited to 5% of their income. Participation in this program requires all owners to apply and qualify. You must file an application for the Circuit Breaker Tax Deferment Program each year!

3) Disabled Veteran Exclusion – Honorably discharged disabled veterans or their unmarried surviving spouse may be eligible for a reduction in property tax. There is no age or income limitation on this program.

NC General Statute 105-277.1C - This program excludes up to the first $45,000 of the appraised value of the permanent residence of an honorably discharged veteran who has a total and permanent disability that is service-connected or who receives benefits for specially adapted housing under 38 U.S.C. 2101. Unmarried joint property owners must apply separately and benefit limitations may apply based on the percent of ownership. If eligible, each owner may receive benefits under either the Elderly or Disabled Exclusion or the Disabled Veteran Exclusion. Once approved for the Disabled Veteran Exclusion, you do not need to reapply unless your disability or benefit status has changed.