

LAW
Machinery Act of N.C.

Per N.C. General Statute
105-277.1B

Only a person's permanent legal residence is eligible. Permanent residence includes the dwelling, the dwelling site (not to exceed one acre), and related improvements. The dwelling may be a single-family residence, a unit in a multi-family residential complex, 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 requalify 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 of the year in which the deferment is claimed.

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 program.

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)}.

UNION COUNTY



MAILING ADDRESS:
Union County Tax Administrator's
P.O. Box 97
Monroe, NC 28111
Attention: Homestead

PHYSICAL ADDRESS:
Union County Government Center
500 N. Main St., Suite 236
Monroe, NC 28112

WEB ADDRESS:
unioncountync.gov

TELEPHONE NUMBER:
704-283-3746

FAX NUMBER:
704-292-2588

2024 Homestead Tax Deferment Circuit Breaker Program



Tax Administrator's Office
Union County
P.O. Box 97
Monroe, NC 28111

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

❖ **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 current year**

AND

❖ **Must have owned and occupied a permanent residence for FIVE (5) consecutive years as of January 1 of current year**

AND

❖ **2024 Applicants:
 2023 income cannot exceed \$55,050**

2023 INCOME LIMITATIONS	
2023 Income = \$0 - \$36,700	Taxes are 4% of total income
2023 Income = \$36,701 - \$55,050	Taxes are 5% of total income
2023 Income = Over \$55,050	Does Not Qualify

INCOME TO BE INCLUDED:

Wages – Social Security – Disability – SSI – VA Benefits – Pensions – Railroad Retirement - Annuities – Interest – Dividends – IRA Distributions – 401K & 457 Distributions – Worker’s Compensation – Alimony – Foster Care Payments – Unemployment – Rental, Business, Farm & Gambling Income – Capital Gain..... Etc.

ESTIMATED DEFERRED TAX WORKSHEET	
(A) 2024 Tax on Residence (Estimated) Dwelling & up to 1 acre of land =	(A) \$
(B) Tax Limitation 2023 Income: \$0 - \$36,700 X 4% = (OR) 2023 Income: \$36,701 - \$55,050 X 5% =	(B)-\$
(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 2023 income was \$36,700 or less you may qualify for the Elderly or Permanently Disabled Persons Exclusion, which is a separate program. See Elderly Exclusion information.

TEMPORARY ABSENCE

A qualified owner does not lose the benefit of this deferment 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 (divorced)}**
- ❖ **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.