

Present USE Value Program “PUV”

The Present-Use Value Program (PUV) is a state mandated program that enables property owners to defer a portion of the property taxes for qualifying parcels that are in the commercial production of agricultural, horticultural, or forestry products and under a sound management plan.

To qualify for this program, there are specific statutory Ownership, Size-Acreage, Income and Sound Management requirements that must be met. There are also penalties for removal from the program. This brochure was designed to help you better understand the purpose of the program and whether you may be interested in making an application.

Generally, all property in North Carolina is valued at its Market Value. Property that qualifies for PUV is assessed at its “PUV” value. The amount of taxes deferred is determined by calculating the difference between the assessed market value of the property and its “PUV” value. Use values are provided to the County by the North Carolina Use Value Advisory Board, and adopted as a part of the Schedule of Values during general revaluation years.

When land no longer qualifies for PUV, taxes are billed against the deferred value for the current year and the three previous years, along with interest. Deferred tax bills, with interest are due and payable immediately.



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Present-USE Value Assessment Program

A deferred tax program available
to landowners of qualifying
Agricultural, Horticultural &
Forestry Acreage



For additional information contact our office
or
see NC General Statutes 105-277

Agricultural

Agricultural land is land that is actively engaged in the commercial production or growing of crops, plants, or animals.

Agricultural land requires at least one **10-acre** tract in actual production.

Each agricultural farm unit must consist of at least one tract that has at least 10 acres in production and has produced an average gross income of at least \$1,000 per year for the three years preceding January 1 for which present-use value is requested.

Examples of agricultural products include soybeans, grains, tobacco, cotton, peanuts, corn, horses and cattle.

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Horticultural

Horticultural land is land that is actively engaged in the commercial production or growing of fruits, vegetables, nursery products, or floral products.

Horticultural land requires at least one **5-acre** tract in actual production.

Each horticultural farm unit must consist of at least one tract that has at least 5 acres in production and has produced an average gross income of at least \$1,000 per year for the three years preceding January 1 for which present-use value is requested

Examples of horticultural products include apples, peaches, strawberries, pecans, sod, shrubs, greenhouse plants, and evergreens intended for use as Christmas trees.

Forestry

Forestland is land that is actively engaged in the commercial growing of trees.

Forestland requires at least one **20-acre** tract in actual production (actively engaged in the commercial growing of trees).

There is no income requirement for forestland, since income is generally only produced when timber is harvested, and many years may pass between required harvests, it is not feasible to have a yearly income requirement for forestland.

However, while income is not required, a written sound forest management plan is and must be submitted with the application.

Forest management plans can be prepared by an independent consulting forester, by a forester with the North Carolina Forest Service, and by the property owner. However, if the owner prepares the plan, the owner must have the appropriate forestry management plan and analysis skills to properly prepare a plan comparable to a plan prepared by a qualified forester.

Key elements in a written plan for a sound forestland management program are listed below:

1. Management and Landowner Objectives Statement.
2. Location.
3. Forest Stand(s) Description/Inventory and Stand Management Recommendations.
4. Regeneration-Harvest Methods and Dates.
5. Regeneration Technique.

Forest management plans can and should be updated as forest conditions significantly change, they should not be open-ended and should include a timetable for re-evaluating the forestry management plan.

Application Process:

*The deadline for first time applicants is **January 31st** of the year you are applying –or– **within 60 days of a transfer** for a parcel already in the program.*

Applications may be obtained by contacting the local county tax office.

This is a voluntary program which has both benefits (lower taxes) and consequences (billing of deferred taxes, with interest, when the property loses eligibility).

This is a tax deferred program and is NOT an exemption of taxes.

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The Onslow County Tax Department will periodically conduct compliance reviews of Present USE Value parcels.

Agricultural and horticultural applications will require income verification as a part of our quality assurance program.

Any modification in the forestry management plan should be documented and copies forwarded to the Onslow County Tax Office.

A field visit may be necessary after the review of the completed forms.

The removal of a tract from the use value program may be appealed to the Board of Equalization and Review at the next session.