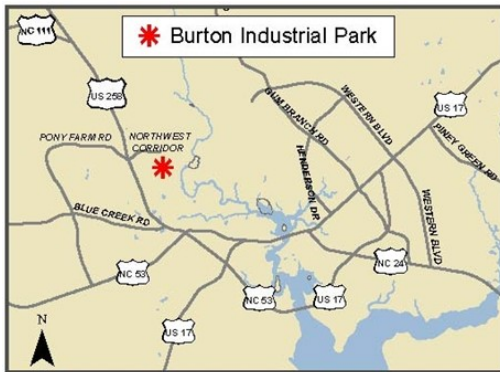


ONslow COUNTY TAX OFFICE

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BUILDERS INVENTORY EXEMPTION

For 2023



Onslow County Tax Office
Land Records Division

Phone: (910) 989-2204

Builders Inventory Exemption

Application Requirements:

- ◇ An application must be filed with the County Assessor during the annual listing period, which ends on January 31st each year.
- ◇ Application (Form AV-65) may be obtained at the Tax Office or by downloading from the county website at:

www.onslowcountync.gov/tax

Effective Date

- ◇ Subdivision of property or improvements made to property on or after July 1, 2015 and subject to be listed on January 1, 2023.

Definition of Builder:

“Builder” means a taxpayer engaged in the business of buying real property, making improvements to it, and then reselling it.”

Property Types Eligible for Exemption

Residential Property—Increase in value of real property due to:

- ◇ Land subdivided by a builder
- ◇ Non-building improvements made by a builder
- ◇ A new single-family residence or duplex

Commercial Property—Increase in value of real property due to:

- ◇ Land subdivided by a builder
- ◇ Non-building improvements made by a builder

Commercial buildings are not eligible for the exemption.

Time Limitation for Exemption

Residential: 3 years beginning on January 1st date that the property was first required to be listed by the builder.

Commercial: 5 years beginning on the January 1st date that the property was first required to be listed by the builder.



Events that will disqualify the property from the exemption.

Residential:

- Used for commercial purposes
- Occupied by a tenant
- Sale of the property

Commercial:

- Issuance of building permit
- Sale of property

.....
NCGS 105-282.1(2) applies to this exemption, and states:
(paraphrased)

Owners do not need to file an application in subsequent years unless new or additional property is acquired or improvements are added or removed.

NCGS 105-285 applies to this exemption, and states: (paraphrased)

When real property that was exempt as of January 1 changes status prior to July 1, it becomes taxable for the entire fiscal year that begins on July 1.

Frequently Asked Questions

What about remodeling or flipping houses?

- Value increases due to renovation do not qualify.
- Improvements must be non-building (such as infrastructure) or a new single family home or duplex.

What about zoning changes?

- Value increases attributable to zoning changes are not eligible for the exemption, as this is not an increase in value made by the builder. Zoning changes are made by a governing body.



What if the property is sold to another builder?

- The new owner is not entitled to the exemption on the increase in value from any subdivision of real property or improvements made to real property by the prior owner.



What if the builder does not list the property?

- If the builder does not list the property, then the county will process a discovery in accordance with NCGS 105-312, and NCGS 105-282.1(c) would apply:

“When an owner of property that may be eligible for exemption or exclusion neither lists the property nor files an application for exemption or exclusion, the assessor or the Department of Revenue, as appropriate, shall proceed to discover the property. If, upon appeal, the owner demonstrates that the property meets the conditions for exemption or exclusion, the body hearing the appeal may approve the exemption or exclusion.”