

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 529

Short Title: Crop Allotments Tax Exempt.

(Public)

Sponsors: Representatives Mitchell; and McLawhorn.

Referred to: Finance.

March 24, 1993

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT CROP ALLOTMENTS ARE INTANGIBLE
PERSONAL PROPERTY NOT SUBJECT TO PROPERTY TAX.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-273(8) reads as rewritten:

"(8) 'Intangible personal property' means patents, copyrights, secret processes, formulae, good will, trademarks, trade brands, franchises, stocks, bonds, cash, bank deposits, notes, evidences of debt, leasehold interests in exempted real property, bills and accounts receivable, acreage or poundage allotments for farm commodities, and other like property."

Sec. 2. G.S. 105-275 is amended by adding a new subdivision to read:

"(31a) Acreage or poundage allotments for farm commodities."

Sec. 3. G.S. 105-276 reads as rewritten:

"§ 105-276. Taxation of intangible personal property.

Intangible personal property that is not excluded from taxation under G.S. 105-275(31) or G.S. 105-275(31a) or classified under Schedule H, G.S. 105-198 through G.S. 105-217, is subject to this Subchapter. The classification of such property for taxation under Schedule H shall not exclude the property from the system property valuation of public service companies under Article 23 provided proper adjustments are made to prevent duplicate taxation."

Sec. 4. G.S. 105-289(a)(5) reads as rewritten:

"(5) To prepare and distribute annually to each assessor a manual that establishes five expected net income per acre ranges for agricultural

1 land, horticultural land, and forestland, and establishes a method for
2 appraising nonproductive land as a percentage of the lowest use-value
3 established for productive land. The high and low net income amount
4 in each range may differ by no more than fifteen dollars (\$15.00). The
5 basis for establishing each range shall be soil productivity.

6 For agricultural land, the expected net income per acre ranges shall
7 be based on the actual yields and prices of corn and soybeans over a
8 period of at least the five previous years, and the actual fixed and
9 variable costs, including an imputed management cost, incurred in
10 growing corn and soybeans over the same period of time. ~~The manual~~
11 ~~shall contain recommended adjustments to the net income per acre ranges~~
12 ~~for the growing of crops subject to acreage or poundage allotments.~~

13 Expected net income per acre ranges shall be similarly established
14 for horticultural land and forestland, using typical horticultural or
15 forest products in various growing regions of the State instead of corn
16 and soybeans."

17 Sec. 5. This act is effective for taxes imposed for taxable years beginning on
18 or after July 1, 1994.