

LAW
MACHINERY ACT OF NC
NC GENERAL STATUTE
§105-277.1B

Your permanent residence includes your dwelling plus related improvements and up to one (1) acre of land. A dwelling can be a single family house, a condo 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.

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.

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 by 42 U.S.C. Section 405(c)(2)(C)(i).

HOMESTEAD
CIRCUIT BREAKER
TAX DEFERMENT
PROGRAM

Property Tax Relief
for Elderly
or Permanently
Disabled Persons

MAILING ADDRESS:

Cabarrus County Land Records
P.O. Box 707
Concord, NC 28026

PHYSICAL ADDRESS:

Cabarrus County Governmental Center
Land Records, First Floor
65 Church St. S.
Concord, NC 28025

TELEPHONE NUMBERS:

(704) 920-2127
(704) 920-2123

www.cabarruscounty.us



WHO QUALIFIES:

Must be a North Carolina resident;

Must be at least 65 years of age or 100% totally and permanently disabled on or before January 1 of current year;

Must have owned and occupied their permanent residence for five (5) consecutive years as of January 1 of tax year;

and

2024 APPLICANTS:

2023 income cannot exceed \$55,050

2024 TAX LIMITATION

2023 Income= \$0 to \$36,700	Taxes are limited to 4% income
2023 Income= \$36,701 to \$55,050	Taxes are limited to 5% income
2023 Income= Over \$55,050	Does not qualify

Income Examples: Wages, Social Security, Disability, SSI, VA Benefits, Pensions, Annuities, Interest, Dividends, IRA Distributions, 401K and 457 Distributions, Worker's Compensation, Alimony, A.F.D.C., Foster Care Payments, Unemployment, Rental, Business, Farm and Gambling Income, Railroad Retirement, Capital Gain, etc.

DEFINITIONS AND REQUIREMENTS

1. The homestead circuit breaker limits the amount of taxes for taxpayers who have lived in their residence for five years or more must pay on their permanent residence based on their income.
2. The current year plus the three prior years of deferred taxes are a lien on your property.
3. 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.
4. Interest accrues on deferred taxes as if they had been payable on the dates on which they would have originally become due.
5. An annual application is required.
6. Upon a disqualifying event, the current year plus the three prior years of deferred taxes plus interest become due and payable.

Disqualifying Events:

Death of owner (*exception*): Property passes to co-owner or spouse.

Transfer of property (*exception*): Transferred to co-owner or spouse (divorce).

Owner ceases to use the property as a permanent residence.

Temporary Absence: A qualified owner does not lose the benefit of this exclusion because of a temporary absence from his/her permanent residence for reasons of health or because of an extended absence while confined to a rest home or nursing facility, so long as the residence is unoccupied or occupied by the owner's spouse or other dependent.

ESTIMATED DEFERRED TAX WORKSHEET

(A)	2024 Tax on Residence (estimated) Dwelling plus related improvements and up to one acre of land	\$
(B)	Tax Limitation 2023 Income of \$0 to \$36,700 x 4% OR 2023 Income of \$36,701 to \$55,050 x 5%	\$
(C)	Estimated Deferred Tax Subtract box (B) from box (A)	\$

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 disabled exclusion.