

Ownership Requirements

Property must be owner's place of residence (or) it has been owned by the owner or a close relative for the four (4) years preceding January 1st (or) at the time of transfer, it qualified in the hands of a business entity or trust that transferred the land to the current owner who was a member of the business entity or a beneficiary of the trust as appropriate. Multiple tracts must be under the same ownership.

Exception: The land may qualify in the hands of the new owner even if the new owner does not meet the above requirements if both of these conditions are met:

- The land was appraised at its present use value at the time title to the land passed to the new owner.
- At the time title to the land passed to the new owner, the new owners acquires the land for purposed of and continues to use the land for the purpose it was classified while under previous ownership.

Applications Process:

The deadline for first time applicants is **January 31st** of the year you are applying. For transfer or sale, application and documentation must be provided before the transfer/sale is completed. (**No Exceptions**)

Applications may be obtained by contacting the Rutherford County Revenue Department or downloading the application from our website at: rutherfordcountync.gov/tax

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

Example:

Market Value \$250,000

Use Value \$100,000

Deferred Value \$150,000

Market Value is the total taxable assessment.

Use Value is the amount your market value is reduced.

Deferred Value will be the amount taxed.

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



Rutherford County Revenue Department
Attn: Anna Lane
125 W. 3rd St.
Rutherfordton, NC 28139
828-287-6219

Email: anna.lane@rutherfordcountync.gov

PRESENT USE VALUE

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



What is Present Use Value?

It is the value of land in its current use as agricultural land, horticultural land, or forestland. The land meeting the eligibility requirements is taxed on the present-use value instead of the market value of the land

Rutherford County
Revenue Department

828-287-6000

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.

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, green-house 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.



Sound Management Requirements:

Sound management means a program of production designed to obtain the greatest net return from the land consistent with its conservation and long-term improvements. Sound management is a requirement that is much more difficult to determine than the others. Evidence must be given to indicate the use of acceptable management procedures that are practiced by commercial producers.

Forestland application must include a plan of management proposed by a North Carolina State Forester or a Certified Forestry Consultant of your choice that must be revealed.

Review of Eligibility

G.S. 105-296(j) requires a review of each property every four years or every revaluation cycle to insure eligibility is maintained. A new application may need to be completed in the event of deed activity or acreage change. Owners of property in present-use value are encouraged to maintain records that would support continued eligibility.

Payment of Deferred Taxes

If at any time, a tract or part of a tract of land becomes ineligible for present use value assessment under the requirements of General Statutes 105-277, the deferred taxes including interest on that tract become due immediately for the current year and the past three (3) years.

Example of Deferred Tax Billing: Taxpayer sells a present-use value tract in November 2023 to a non-qualifying owner. The assessor removes the present-use value status and issues the rollback bills in November as shown in the below table.

The total of the 4-year rollback bill would be \$2,708.76 plus the difference from the current years bill. In this example it is the 2023 tax bill.

Year	Amount of Deferred Value	Tax Rate	Taxes Before Interest	Initial January 2% Int.	# Months of 3% Interest	Total % Interest	Total Taxes Due
2023	\$100,000	0.70	\$700.00	\$0.00	0	\$0.00	\$700.00
2022	\$100,000	0.68	\$680.00	\$13.60	10	\$51.00	\$744.60
2021	\$75,000	0.68	\$510.00	\$10.20	22	\$84.15	\$604.35
2020	\$75,000	0.69	\$517.50	\$10.35	34	\$131.96	\$659.81
Total			\$2,407.50	\$34.15		\$267.11	\$2,708.76

Note that if the property had been removed from the present-use value program prior to the 2023 regular billing, the assessor would bill 2023 tax year at market value and only send rollback bills for 2022, 2021 and 2020.

Changes

Eligibility requirements are subject to change in accordance with North Carolina General Statutes. When changes in eligibility are not reported by the owner, the owner is subject to a ten percent (10%) penalty for each year the ineligibility is unreported as required by General Statutes 105- 277.5.