

# Present-Use Value Tax Deferral Program (PUV)

Primary Statutes: G.S. 105.277.2 thru 105.277.7

## **Application for Present Use Value:**

For property new to PUV, applications must be filed no later than January 31. For property that is currently in PUV, but has transferred ownership, the application to continue the current use must be filed within 60 days from the deed's transfer date. Failure of new owner to apply for continued use is a disqualifying event and results in the property's removal from PUV.

## **Ownership Requirement:**

Except in the case of transferred ownership of PUV property, the requirements are:

- must be owner's place of residence, or
- must have been owned by the owner or a close relative for four (4) calendar years preceding January 1, or
- owner has other qualifying land in PUV (exception for expansion of existing unit)

## **Size Requirement:**

All three PUV classifications must meet size requirements. Generally speaking, each qualifying farm unit must have at least one tract that meets the minimum size requirement for the classification being requested by the owner. The minimums are:

- Agricultural land - at least one 10-acre tract in actual production.
- Horticultural land - at least one 5-acre tract in actual production.
- Forestland - at least one 20-acre tract in actual production.

Smaller tracts may also be included with the qualifying tract under certain conditions.

## **Income Requirement:**

Agricultural land and horticultural land must have produced an average gross income for the past three years of \$1,000 per year. Forest land does not have income requirements.

## **Sound Management:**

All three classifications must meet the sound management requirements. Forestland must comply with a written sound management plan for the commercial production of timber. Agricultural and horticultural classifications can meet the sound management requirement by fulfilling one of several possible options. See G.S. 105.277.3 (f) "Sound Management Program for Agricultural Land and Horticultural Land" for details:

[www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter\\_105/GS\\_105-277.3.html](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_105/GS_105-277.3.html)

Additional information can be found at: [www.Chathamnc.org](http://www.Chathamnc.org)

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