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## DEFERRED TAXES

Land meeting the conditions for present use classification must be taxed on the basis of the value of the land for its present use. The difference between the taxes due on the present use basis and the taxes that would have been payable in the absence of this classification, together with any interest, penalties, or costs are a lien on the real property of the taxpayer. The taxes become due and payable when the land fails to meet any condition or requirement for classification. Interest accrues on the deferred taxes due as if they had been payable on the dates on which they originally became due. If only a part of the qualifying tract of land fails to meet a condition or requirement for classification, the assessor must determine the amount of deferred taxes applicable to that part and that amount becomes payable with interest. The deferred taxes for any given year may be paid in that year without the qualifying tract of land becoming ineligible for deferred status.

## NEW APPLICATIONS

The deadline for first time applicants is January 31 of each year. Applications may be obtained by contacting the local county tax office or the application can be downloaded from our website:

<http://rutherfordcountync.gov/tax>



## Rutherford County Assessor's Office

229 North Main St Ste A100  
PO Box 143  
Rutherfordton, NC 28139

Phone: 828-287-6177  
Fax: 828-288-6179

## RUTHERFORD COUNTY

*A County for All Seasons*

## Present Use Value Forestry, Agriculture, and Horticulture



# What is Present Use Value Assessment?

When land is approved for present use value assessment, the tax levy is applied to the value of the land based on its soil type and the way it is being used, rather than the market value of the land.

## EXAMPLE

Market Value	\$ 100,000
<b>Use Value</b>	<b>\$ 25,000</b>
Deferred Value	\$ 75,000

The market value of this parcel of land is \$100,000. Because it qualifies for present use value assessment, the use value is calculated to be \$25,000. This value is determined by the use of the land and the soil type. The difference between market value and use value is deferred value. **The tax bill will be calculated based on the use value of \$25,000.** The difference in taxes (rate X deferred value) will be carried forward on the tax books, but will not be billed for the current tax year. Taxes on the deferred value could become due and payable if there was a change in ownership or use of the land.



## AGRICULTURAL PRESENT USE



If a land owner has a minimum of ten acres, in a single tract, in agricultural production and can show evidence of an average income of \$1,000 for the most recent three years he may qualify for use value assessment.

Crops, hay, and livestock are examples of qualifying income sources. Rent collected for use of farm land is not an example of qualifying income.

Less than twenty acres of wooded land that is part of an agricultural operation, but not in actual production may qualify along with the agricultural acreage for use value deferment.

However, twenty or more acres of trees that are part of the same parcel of land would not qualify without a forestry management plan and a forestry use value application. The exception to this rule is wooded land that provides either water quality protection or wind buffers for the agricultural operations per NC General Statute GS 105-277.2 (1).

In addition to the income requirements there are ownership guidelines to be considered for acceptance into the use value assessment program. The applicant must have owned the land for at least four years before he can make application in January of the new year, or the land was qualified for present use in the hands of the previous owner. If the owner resides on the

property the land may qualify for present use assessment without the four year waiting period.

The ownership requirements are the same for all three type of present use value assessment. If the qualifying tract of land is approved for present use value assessment, other smaller tracts that are under the same use may be “piggy backed” on and approved for use value assessment.

## HORTICULTURAL PRESENT USE

Same as agricultural use, except five acres in a single tract can qualify with a \$1,000 yearly average income minimum.

## FORESTRY PRESENT USE

The land owner must have a minimum of twenty wooded acres, in a single tract, and a written Forestry Management Plan for the commercial production of timber products to qualify for forestry use value assessment.



The management plan must have five key elements which include land-owner objectives, location, inventory and stand descriptions, harvest methods and dates, and regeneration techniques.