

PRESENT USE VALUE TAX DEFERMENT COMPLIANCE REVIEWS AND AUDITS



The Purpose:

Each county assessor is required by law to periodically review all properties that are receiving the benefit of the present-use value classification to verify that these properties continue to qualify for the classification. NCGS 105-296(j)

The Process:

As part of the compliance review process, it is common for the assessor to require the owner to submit information so that the assessor can make a fully informed decision regarding the qualification of the property.

Since a property generally needs to meet the same requirements for continued classification as it met for initial classification, the assessor may ask for information that is very similar to the information requested on an initial application.

Examples of information that may be requested include (but are not limited to):

- Sound management plans for forestland.
- Documentation of compliance with any forestry management practices whose recommended implementation dates have passed.
- Income information for the past three years.
- IRS Schedule F to verify farm income.
- Acreage in production broken down by acres per product.
- If owned by a business entity, evidence of the principal business of the business entity (including income and expense information).
- If owned by a business entity, information documenting the members' participation in the farming operations.
- Evidence that the property is under sound management.

The property must continue to meet the requirements for classification on a continuing basis, not just at the time of application. Owners of property in Present Use Value are encouraged to maintain records that would support continued eligibility.

Chatham County Tax Office

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