

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017**

**SESSION LAW 2018-98
SENATE BILL 561**

AN ACT TO CONFORM TREATMENT OF LEASEHOLD INTERESTS IN EXEMPT PROPERTY TO THAT OF OTHER TYPES OF INTANGIBLE PERSONAL PROPERTY FOR PURPOSES OF THE PROPERTY TAX AND TO PROVIDE THAT THE SITUS OF TAX LAW VIOLATIONS IS IN THE COUNTY WHERE THE CHARGED OFFENSE OCCURS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 105-275 reads as rewritten:

"§ 105-275. Property classified and excluded from the tax base.

The following classes of property are designated special classes under Article V, Sec. 2(2), of the North Carolina Constitution and are excluded from tax:

...

(31) Intangible personal property other than ~~a leasehold interest that is in exempted real property and is not excluded under subdivision (31e) of this section.~~ This ~~subdivision does not affect the taxation of software not otherwise excluded by~~ subdivision (40) of this section.

...

(31e) ~~A leasehold interest in real property that is exempt under G.S. 105-278.1 and is used to provide affordable housing for employees of the unit of government that owns the property.~~

...."

SECTION 1.(b) This section is effective for taxes imposed for taxable years beginning on or after July 1, 2019.

SECTION 2.(a) G.S. 105-236(b) reads as rewritten:

"(b) Situs. – ~~Violation-Civilly,~~ a violation of a tax law is considered an act committed in part at the office of the Secretary in Raleigh. ~~Criminally,~~ a violation of a tax law shall not be considered an act committed at the office of the Secretary in Raleigh. The District Attorney of the county where the charged offense occurred shall have sole jurisdiction to prosecute violations of tax law, but the Attorney General shall have concurrent jurisdiction in such prosecutions if the District Attorney requests, in writing, that the Attorney General prosecute the violation. The certificate of the Secretary that a tax has not been paid, a return has not been filed, or information has not been supplied, as required by law, is prima facie evidence that the tax has not been paid, the return has not been filed, or the information has not been supplied."

SECTION 2.(b) This section becomes effective December 1, 2018, and applies to offenses committed on or after that date.



SECTION 3. Except as otherwise provided, this act is effective when it becomes law.
In the General Assembly read three times and ratified this the 15th day of June, 2018.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

This bill having been presented to the Governor for signature on the 15th day of June, 2018 and the Governor having failed to approve it within the time prescribed by law, the same is hereby declared to have become a law. This 26th day of June, 2018.

s/ Karen Jenkins
Enrolling Clerk