



HOUSE BILL 273: Modify Builders Inventory Tax Exclusion.

2021-2022 General Assembly

Committee:	House Local Government - Land Use, Planning and Development. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 1, 2021
Introduced by:	Reps. Potts, Bradford, Zenger, Clemmons	Prepared by:	Howard Marsilio Committee Counsel
Analysis of:	First Edition		

OVERVIEW: *House Bill 273 would exclude an increase in value of residential real property attributed to new townhouse construction from property taxation for up to three years when held for sale by a builder.*

CURRENT LAW: An increase in value to residential real property, held for sale by a builder which is intended to be sold and used as an individual's residence immediately or after construction of a residence, due to subdivision, improvements other than buildings, or the construction of a new single-family residence or duplex is excluded from property taxation under the Machinery Act.

There is a three-year limitation for this exclusion from the time the improved property was first subject to being listed for taxation by the builder.

BILL ANALYSIS: This bill would add new townhouse construction as an exclusion from property taxation under the Machinery Act.

EFFECTIVE DATE: This act would become effective for taxes imposed for taxable years beginning on or after July 1, 2021.

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Legislative Analysis
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