



**SENATE BILL 105:  
2021 Appropriations Act, Sec. 42.12:  
Property Tax Exemptions**

2021-2022 General Assembly

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<b>Committee:</b>		<b>Date:</b>	January 26, 2022
<b>Introduced by:</b>		<b>Prepared by:</b>	Nicholas Giddings Staff Attorney
<b>Analysis of:</b>	Sec. 42.12 of S.L. 2021-180		

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**OVERVIEW:** Section 42.12 of S.L. 2021-180 creates two property tax exemptions: one for commercial cemetery property and one for vaccines.

*This section is effective for taxable years beginning on or after July 1, 2022.*

**CURRENT LAW & BILL ANALYSIS:**

**Exempt Commercial Cemetery Property**

G.S. 105-278.2 currently exempts all real property set apart for burial purposes from property taxation unless it is owned and held for purposes of (1) sale or rental, or (2) sale of burial rights therein. Real property includes land, tombs, vaults, monuments, and mausoleums.

Section 42.12(a) exempts burial property owned and held for purposes of sale or rental, or sale of burial rights therein from property taxation, effective for taxes imposed for taxable years beginning on or after July 1, 2022. Section 42.12(b) requires a taxpayer to file a single application with the county assessor in which the property is situated to receive the exemption.

**Exempt Vaccines**

Vaccines held by pharmacies and other retailers are currently exempt from property tax because they are inventory, and inventory of retailers is exempt from tax. Vaccines held by nonprofit medical facilities are exempt from property tax because real and personal property of the nonprofit are exempt from tax. However, vaccines held by private medical facilities and doctors' offices are currently taxable as business personal property. The value of the property is usually assigned based on an estimate of the amount routinely held by that facility, not on the amount held on a certain day or the amount held throughout the year.

Section 42.12(c) exempts all vaccines from property tax, regardless of who holds the vaccines.

**EFFECTIVE DATE:** This section is effective for taxable years beginning on or after July 1, 2022.

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