

The North Carolina Present-Use Value (PUV) Program is a tax incentive program that helps landowners who use their property for agricultural, horticultural, or forestry purposes. The program offers a reduced property tax rate based on the land's current use, rather than its market value, which is often higher. The goal is to encourage the preservation of farmland, forestland, and open space by reducing the financial pressure that might otherwise lead to its development.

Key Features of the PUV Program:

1. Eligibility:

- **Agricultural Land:** Must be at least 10 acres and used for commercial agricultural production, like growing crops or raising livestock.
- **Horticultural Land:** Must be at least 5 acres and used for commercial production of fruits, vegetables, or ornamental plants.
- **Forestland:** Must be at least 20 acres and managed for commercial timber production under a certified forest management plan.

- 2. Use Value Assessment:** The land is taxed based on its "present-use value" rather than its market value. This significantly lowers the property taxes for qualifying landowners.
- 3. Income Requirements:** For agricultural and horticultural lands, there is also an income requirement. The land must produce a minimum of \$1,000 in gross income from commercial agricultural or horticultural activities for three out of the last five years.
- 4. Continuous Use:** The land must continue to be used for its qualifying purpose (agriculture, horticulture, or forestry) to remain eligible for the reduced tax rate.
- 5. Rollback Provision:** If the land ceases to meet the eligibility requirements (for example, if it is developed for non-farm purposes), the property owner must pay back the difference in taxes (called "deferred taxes") for the previous three years.
- 6. Ownership Requirements:** The land must be owned by individuals or legal entities such as trusts, corporations, or estates, and in some cases, there are requirements related to how long the land has been owned by the current owner or their family.

Benefits:

- **Lower Property Taxes:** By assessing the land based on its use rather than its potential development value, landowners enjoy significantly lower property taxes.
- **Preservation of Open Land:** It helps preserve farmland, forestland, and natural spaces in North Carolina by reducing the economic pressure on landowners to sell for development.

This program helps support the state's agricultural economy while also encouraging conservation and sustainable land management practices.