

**Office of State Tax Commissioner, Cory Fong : State of North Dakota**[About Tax Dept.](#) | [Misc Forms/Pubs](#) | [Laws and Regs.](#) | [Links](#) | [Media Center](#) | [Newsletters Subscription](#)[Home](#) | [Frequently Asked Questions](#)[Meet the Commissioner](#) | [Mission Statement](#)

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Property Tax Frequently Asked Questions[Q: What personal property is subject to property tax?](#)[Q: Who is eligible for the "homestead" property tax credit?](#)[Q: I am a farmer, yet my house is taxed. What are the requirements for an exemption of a farm residence?](#)[Q: I received a Statement of Real Estate Full Consideration to be completed and returned to the State Board of Equalization. How is the information on the form used?](#)**Q: What personal property is subject to property tax?**

A: For the most part, personal property is exempt from property tax. Personal property of utilities companies that are assessed by the State Board of Equalization is subject to property tax. Household personal property, inventories, and machinery and equipment used in trade or manufacture are exempt from property taxes. Machinery and equipment used in refining products from oil or gas extracted from the earth is deemed to be real property and therefore subject to property taxes. A mobile home used as a residence or place of business is also subject to a property tax.

[\[Back to the Top of the Page \]](#)**Q: Who is eligible for the "homestead" property tax credit?**

A: The homestead credit is a property tax relief program for qualifying homeowners and renters who are age 65 or older (unless the applicant is permanently and totally disabled) in the year for which the application is made. For a husband and wife who are living together, only one may apply for the homeowner's credit or renter's refund. Only the spouse applying for the credit or refund need be 65 years of age or older.

The applicant's income, plus the income of a spouse and any dependents, may not exceed \$17,500 for the calendar year preceding the assessment date. The applicant must consider income from all sources, which includes, but is not limited to, social security

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benefits, pensions, salaries, unemployment benefits, dividends, interest, net gains from the sale of property, net rental income and net profit from any business, including ranching and farming. Life insurance death proceeds paid to a surviving spouse or dependent are not included as income under this act. Medical expenses actually paid during the year are deductible from income if not compensated for by insurance or otherwise.

Additional requirements for homeowners:

- A homeowner must reside on and have an interest in the property for which the credit is claimed.
- The applicant's assets may not exceed \$50,000, including the value of any assets gifted or otherwise divested within the last three years, excluding the first unencumbered \$100,000 of market value of the applicant's homestead.
- No person shall qualify to receive the property tax credit if the homestead is rented while the owner is temporarily absent or the homestead is a farm structure which is exempt from taxation.
- The tax credit will reduce the taxable value of the homestead on a sliding scale depending upon the income of the applicant.
- Application for the credit is filed with the local assessor or county director of tax equalization by February 1 (or as soon thereafter as possible) in the year in which your property is assessed and for which the credit is requested.
- The property tax credit is subject to adjustment, equalization and abatement in the same manner as other real property assessments.
- In the event of the applicant's death, all benefits terminate at the end of the taxable year.

Additional requirements for renters:

- No refund may be made to a person who pays rent or fees for any living quarters, including nursing homes, that are exempt from property taxation and for which payment in lieu of property taxes is not made.
- Heat, water, lights, telephone or furniture costs may not be considered as part of rent costs. If the landlord pays for these items, the cost of these items must be deducted from the rent when applying for a refund. If utilities and furniture are paid by the renter, the cost of these items may not be added to the rent when applying for a refund.
- The amount of refund is based upon rent paid and income of the applicant. A refund is issued for the amount that 20

percent of annual rent exceeds four percent of annual income. The refund may not be greater than \$240.

- Application for a renter refund is filed with the Office of State Tax Commissioner before June 1 following the year for which the refund is claimed. Extensions of time may be allowed for good cause.

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Q: I am a farmer, yet my house is taxed. What are the requirements for an exemption of a farm residence?

A: There is a specific exemption from property tax for a qualifying farm residence. Each residence must be examined individually to determine if it qualifies. One should contact the county director of tax equalization of the county where the residence is located to review the specific facts of the residence. The general requirements are as follows: the residence must be located on ten acres or more of agricultural land and occupied by a farmer. A farmer is a person who devotes the majority of time to farming or ranching activities; has had net farm income that is at least 50 percent of the total annual income of the farmer and spouse in any one year of the three preceding calendar years; and has not had more than \$40,000 of nonfarm income, including that of a spouse, for each of the three preceding calendar years. The term farmer includes a retired farmer who has retired because of age or illness and who, at the time of retirement, qualified as a farmer for the farm residence exemption. "Farmer" includes a beginning farmer who has begun occupancy and operation of a farm within the preceding three calendar years.

If you think you may qualify for the farm residence exemption, complete the [Application for Farm Residence Exemption](#) - (16kb pdf) and contact the county director of tax equalization in the county where the residence is located.

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Q: I received a Statement of Real Estate Full Consideration to be completed and returned to the State Board of Equalization. How is the information on the form used?

A: Before a deed transferring real property can be recorded, a statement of the full consideration, or sale price, must be on the face of the deed. Alternately, a statement that the price has been reported to the State Board of Equalization may be on the face of the deed. If there is a statement that the consideration was reported to the State Board of Equalization and it has not been received within a reasonable period of time, a letter is sent to the purchaser requesting a Statement of Real Estate Full Consideration be completed and returned. The information contained on the form is not a public record, by statute it is kept confidential. The sales information is gathered and used to measure the accuracy and equity of the assessors' estimates of true and full value. The State

Board also uses the sales information to assist in equalizing assessments across the state.

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