

Property Tax Homestead Circuit Breaker Program

Qualifications

This [program \(PDF\)](#) limits the amount of taxes one must pay annually on their permanent residence to a fixed percentage of their income. The amount of taxes above that percentage is deferred and does not have to be repaid until such time that a disqualifying event occurs. Upon disqualification the three most current years of deferred taxes become due and payable with interest.

Examples of disqualifying events:

- Death
- The property is no longer the taxpayer's permanent residence
- Transfer of the property
- Exceeding income limit does not constitute a disqualifying event
- Deferred taxes are a lien on the property
- For multiple owners - all owners must apply and qualify (estate by entirety does not count as multiple owners)
- Income below \$33,800 - taxes limited to 4% of income (requires annual application and income verification)
- Income between \$33,800 and \$50,700 - taxes limited to 5% of income (requires annual application and income verification)
- Income cannot exceed \$50,700
- Interest accrues on deferred taxes from the date they were originally due
- Must be 65 years of age or totally and permanently disabled on January 1
- Must be a North Carolina resident
- Must have owned and occupied property as the owner's permanent legal residence for the last 5 years

Identification

The Social Security number information is mandatory and will be used to establish the identification of the applicant, 42 U.S.C. Section 405(c)(2)(C)(i).

FAQs

- [What is the Property Tax homestead Circuit Breaker Program?](#)
- [What are the qualifications for the Circuit Breaker Tax Deferment Program?](#)
- [How are deferred taxes calculated and are they a lien on my property?](#)
- [What would trigger the repayment of the deferred taxes?](#)
- [What happens if I apply and qualify for the Circuit Breaker Deferred Tax Program for 1 or more years and in the future I no longer qualify or I fail to submit the required annual application?](#)
- [Does all deferred taxes have to be repaid?](#)
- [Does interest also have to be paid on deferred taxes when they become due?](#)
- [What is considered income and how much can I make and still qualify for the circuit Breaker Tax Deferment Program?](#)
- [What is considered part of my Homestead / Permanent Residence?](#)
- [Do I have to apply in person?](#)
- [How can I show that I am 100% totally and permanently disabled?](#)
- [How do I provide proof of income?](#)
- [When is the deadline to file an application?](#)
- [Do I need to reapply annually?](#)

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