

15A NCAC 13B .1503 STANDARDS FOR QUALIFICATION FOR TAX CERTIFICATION

(a) When the Department receives an application for tax certification that complies with Rule .1502 of this Section, the Department shall conduct an inspection, investigation, or verification of the requested property to confirm that it qualifies as a recycling or resource recovery facility or as recycling or resource recovery equipment for the purpose of special tax classifications or treatment in accordance with G.S. 130A-294(a)(3) and the requirements of this Rule.

(b) Real property shall qualify as a recycling or resource recovery facility in accordance with G.S. 130A-294(a)(3) if the following conditions are met:

- (1) the real property was included in the application for tax certification submitted to the Department in accordance with Rule .1502 of this Section;
- (2) the person that will receive the benefit of exclusion from the property tax base for the real property complies with G.S. 113A, 130A, and 143 and the rules adopted under G.S. 113A, 130A, and 143 that are under the authority of the Department to administer or enforce;
- (3) the real property shall not be used at any time for a purpose other than the following:
 - (A) recycling or resource recovery; or
 - (B) transportation or storage for recycling or resource recovery;
- (4) the real property shall be necessary for recycling or resource recovery to occur;
- (5) the real property shall not be incidental or supportive facilities;
- (6) the real property shall not be used for handling, storing, packaging, or transportation of new materials, production scrap, or solid waste intended for disposal;
- (7) the buildings, structures, improvements, or permanent fixtures on land shall be constructed prior to the effective date of the tax certification; and
- (8) the land itself shall not be located beneath any area of a building or structure that does not meet the requirements of Subparagraphs (1) through (7) of this Paragraph.

(c) Personal property shall qualify as recycling or resource recovery equipment in accordance with G.S. 130A-294(a)(3) if the following conditions are met:

- (1) the personal property was included in the application for tax certification submitted to the Department in accordance with Rule .1502 of this Section;
- (2) the unique identification number required to be included in the application in accordance with Rule .1502(d)(6)(B) of this Section can be matched to the same identification number affixed to the personal property during the inspection, unless the personal property meets the conditions of Rule .1502(d)(6)(G) of this Section;
- (3) the person that will receive the benefit of exclusion from the property tax base for the personal property complies with G.S. 113A, 130A, and 143 and the rules adopted under G.S. 113A, 130A, and 143 that are under the authority of the Department to administer or enforce;
- (4) the personal property shall not be used at any time for a purpose other than the following:
 - (A) recycling or resource recovery; or
 - (B) transportation or storage for recycling or resource recovery;
- (5) the personal property shall be necessary for recycling or resource recovery to occur;
- (6) the personal property shall not be incidental or supportive equipment;
- (7) the personal property shall not be used for handling, storing, packaging, or transportation of new materials, production scrap, or solid waste intended for disposal; and
- (8) the personal property shall be installed prior to the effective date of the tax certification.

(d) If the Department determines that none of the requested property in an application qualifies for exclusion from the property tax base in accordance with this Rule, the Department shall notify the applicant and the county assessor of the reasons for this determination in writing.

(e) The tax certification shall be effective upon the date of signature by the Department.

(f) The tax certification shall list the qualifying property.

(g) The Department shall provide a copy of the tax certification to the applicant and to the office of the county assessor.

(h) The applicant shall be responsible for maintaining records of all tax certifications issued to the applicant.

(i) Unless an expiration date is provided on the tax certification, the tax certification shall remain valid until there is a change in use, ownership, or lease agreement of the qualifying property.

(j) Tax certifications are not transferrable. If there is a change in ownership or lease agreement or if the facility changes locations of qualifying property after the Department issues a tax certification, then the real or personal property shall no longer qualify for exclusion from the property tax base. The new owner, lessor, or lessee of the real

or personal property that was previously listed on a tax certification may apply for a new tax certification in accordance with Rule .1502 of this Section.

(k) If there is a change in the use of the qualifying property after the Department issues the tax certification, and the new use does not comply with the requirements of Paragraphs (b) or (c) of this Rule, then the real or personal property shall no longer qualify for exclusion from the property tax base.

(l) If the person receiving the benefit of exclusion from the property tax base ceases to be in compliance with G.S. 113A, 130A, or 143 or the rules adopted under G.S. 113A, 130A, or 143 that are under the authority of the Department to administer or enforce after the Department issues the tax certification, the Department may determine that the real or personal property no longer qualifies for exclusion from the property tax base and revoke the tax certification if the person does not comply by the deadline for compliance required by the Department. If the Department revises or revokes a tax certification, the Department shall notify the applicant, the person receiving the tax benefit, and the county assessor's office of the determination in writing. The applicant may submit a new application for tax certification in accordance with Rule .1502 of this Section when the person receiving the benefit complies with G.S. 113A, 130A, and 143 and the rules adopted under G.S. 113A, 130A, and 143 that are under the authority of the Department to administer or enforce.

(m) The Department may revoke a tax certification if the Department discovers that false information was provided in the application for tax certification submitted in accordance with Rule .1502 of this Section. If the Department revokes a tax certification, the Department shall notify the applicant, the person receiving the tax benefit, and the county assessor's office of the determination in writing.

(n) The Department shall not be required to verify or confirm the cost or value of requested property that is provided by the applicant. The Department may include the cost of requested personal property provided by the applicant on the tax certification for ease of reference. Any change in cost or value shall not change the qualification status of the real or personal property.

(o) Real or personal property that was listed on a tax certification issued prior to the readopted effective date of this Rule, and equivalent real or personal property purchased to replace such property within five years of the readopted effective date of this Rule, shall be deemed qualifying property for the purpose of this Section if the following conditions are met:

- (1) the use of the real or personal property has not changed;
- (2) the person that is receiving the benefit of exclusion from the property tax base for the real or personal property complies with G.S. 113A, 130A, and 143 and the rules adopted under G.S. 113A, 130A, and 143 that are under the authority of the Department to administer or enforce;
- (3) the real or personal property has not changed ownership since the tax certification was issued; and
- (4) any expiration date on the tax certification has not passed.

(p) If an application meeting the requirements of Rule .1502 of this Section is submitted within five years of the readopted effective date of this Rule for requested property that was previously certified under a lease agreement, the requested property that meets the requirements of Subparagraphs (o)(1) through (o)(3) of this Rule shall be deemed qualifying property for the purpose of this Section.

*History Note: Authority G.S. 130A-294(a)(3);
Eff. June 2, 1976;
Readopted Eff. December 5, 1977;
Amended Eff. December 6, 1991;
Readopted Eff. March 1, 2021.*