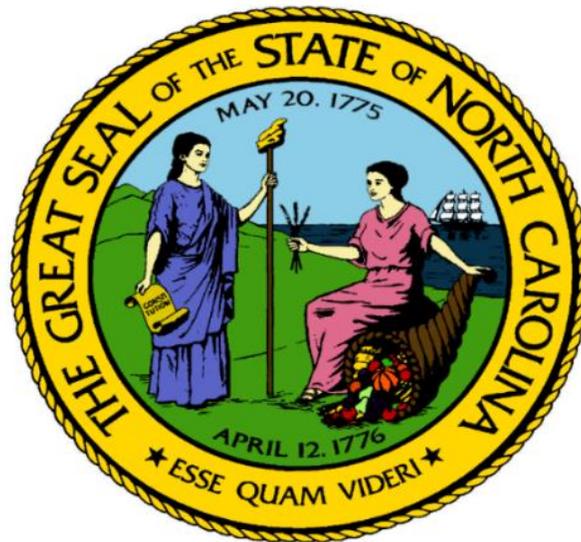


# TAX CERTIFICATION GUIDELINES

## Pollution Abatement Property and Recycling and Resource Recovery of or from Solid Waste Property



September 2023 Edition

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# Preface

These guidelines are a collaboration between the North Carolina Department of Environmental Quality (DEQ) and the North Carolina Department of Revenue (DOR). The objective is to provide information to assist agency employees in understanding the applicable laws and rules and to help navigate the application process for the tax certification of equipment, facilities, and land used in pollution abatement and the recycling and resource recovery of or from solid waste. The guidance is non-binding, and the agencies may determine that the guidance is not applicable based on case-specific circumstances and reserve the right to change this guidance at any time. Nothing in this guidance document should be interpreted to alter or replace the North Carolina General Statutes or Administrative Code. To the extent any statement in this guidance conflicts with the General Statutes or Administrative Code, the General Statutes or Administrative Code controls.

Per G.S. 105-275(8), only DEQ has the authority to certify real and personal property used for the abatement of air and water pollution or for recycling and resource recovery of or from solid waste, and only the county tax assessor has the authority to exempt the property from taxation.

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# 1 – Property Tax Exemption

North Carolina General Statute 105-275(8) dictates which real and personal property can receive tax exemption for pollution abatement and recycling or resource recovery of or from solid waste.

**G.S. 105-275(8):**

**a. Real and personal property that is used or, if under construction, is to be used EXCLUSIVELY for air cleaning or waste disposal or to abate, reduce, or prevent the pollution of air or water (including, but not limited to, waste lagoons and facilities owned by public or private utilities built and installed primarily for the purpose of providing sewer service to areas that are predominantly residential in character or areas that lie outside territory already having sewer service), if the Department of Environmental Quality or a local air pollution control program for air-cleaning devices located in an area where the Environmental Management Commission has certified a local air pollution control program pursuant to G.S. 143-215.112 furnishes a certificate to the tax supervisor of the county in which the property is situated or to be situated stating that the Environmental Management Commission or local air pollution control program has found that the described property:**

- 1. Has been or will be constructed or installed;**
- 2. Complies with or that plans therefore which have been submitted to the Environmental Management Commission or local air pollution control program indicate that it will comply with the requirements of the Environmental Management Commission or local air pollution control program;**
- 3. Is being effectively operated or will, when completed, be required to operate in accordance with the terms and conditions of the permit, certificate of approval, or other document of approval issued by the Environmental Management Commission or local air pollution control program; and**
- 4. Has or, when completed, will have as its PRIMARY rather than incidental purpose the reduction of water pollution resulting from the discharge of sewage and waste or the reduction of air pollution resulting from the emission of air contaminants.**

**a1. Sub-subdivision a. of this subdivision shall not apply to an animal waste management system, as defined in G.S. 143-215.10B, unless the Environmental Management Commission determines that the animal waste management system will accomplish all of the following:**

- 1. Eliminate the discharge of animal waste to surface waters and groundwater through direct discharge, seepage, or runoff.**
- 2. Substantially eliminate atmospheric emissions of ammonia.**
- 3. Substantially eliminate the emission of odor that is detectable beyond the boundaries of the parcel or tract of land on which the farm is located.**
- 4. Substantially eliminate the release of disease-transmitting vectors and airborne pathogens.**
- 5. Substantially eliminate nutrient and heavy metal contamination of soil and groundwater.**

**a2. Notwithstanding sub-subdivision a1. of this subdivision, sub-subdivision a. of this subdivision applies to a farm digester system as defined in G.S. 143-213(12a).**

## 1 – Property Tax Exemption

- b. Real or personal property that is used or, if under construction, is to be used **EXCLUSIVELY** for recycling or resource recovering of or from solid waste, if the Department of Environmental Quality furnishes a certificate to the tax supervisor of the county in which the property is situated stating the Department of Environmental Quality has found that the described property has been or will be constructed or installed, complies or will comply with the rules of the Department of Environmental Quality, and has, or will have as its **PRIMARY** purpose recycling or resource recovering of or from solid waste.
- c. Tangible personal property that is used **EXCLUSIVELY**, or if being installed, is to be used **EXCLUSIVELY**, for the prevention or reduction of cotton dust inside a textile plant for the protection of the health of the employees of the plant, in accordance with occupational safety and health standards adopted by the State of North Carolina pursuant to Article 16 of G.S. Chapter 95. Notwithstanding the exclusive use requirement of this sub-subdivision, all parts of a ventilation or air conditioning system that are integrated into a system used for the prevention or reduction of cotton dust, except for chillers and cooling towers, are excluded from taxation under this sub-subdivision. The Department of Revenue shall adopt guidelines to assist the tax supervisors in administering this exclusion.
- d. Real or personal property that is used or, if under construction, is to be used by a major recycling facility as defined in G.S. 105-129.25 predominantly for recycling or resource recovering of or from solid waste, if the Department of Environmental Quality furnishes a certificate to the tax supervisor of the county in which the property is situated stating the Department of Environmental Quality has found that the described property has been or will be constructed or installed for use by a major recycling facility, complies or will comply with the rules of the Department of Environmental Quality, and has, or will have as a purpose recycling or resource recovering of or from solid waste. [Emphasis added.]

This statute prescribes five separate categories for which an exemption is valid:

- (a) air and water pollution [includes (a2) farm digester systems],
- (a1) animal waste,
- (b) solid waste,
- (c) cotton dust, and
- (d) major recycling facilities.

The statutory category for air and water pollution is directly relevant to the DEQ Divisions of Air Quality and Water Resources while the statutory categories for solid waste and major recycling facilities are directly relevant to the DEQ Division of Waste Management. Therefore, the guide contains a chapter for the Divisions of Air Quality and Water Resources and a chapter for the Division of Waste Management to cover these categories.

The air and water category and the solid waste category both use the statutory language “Real and personal property that is used or, if under construction, is to be used EXCLUSIVELY ...”. The word EXCLUSIVELY is to be applied to real or personal property being used 100% for pollution abatement or recycling or resource recovery of or from solid waste. Any use less than 100% should not be considered as used exclusively for this purpose.

## 1 – Property Tax Exemption

The statutory language for these two categories also states that the property must have as its PRIMARY purpose to either reduce the pollutants from the air or water or to recycle or resource recovery of or from solid waste.

It is unlikely for property that meets the exclusive use requirement to fail to meet the primary purpose requirement. However, there may be circumstances where the use of property for pollution abatement could be viewed as serving multiple purposes. In these instances, DEQ must verify that the primary purpose of the property is to reduce the pollutants from the air or water or to recycle or resource recovery of or from solid waste. In these rare circumstances, DEQ staff may wish to seek legal counsel.

## 2 – Principles of Taxation

### What is Taxable?

When real and personal property is certified under G.S. 105-275(8), the property can qualify for property tax exemption. Removal of the property from the tax base through exemption can significantly affect the counties' budgets. For this reason, it is important to understand what is taxable and how certification affects the counties' processes. G.S. 105-274(a) explains that all property, real and personal, within this state's jurisdiction is taxable unless it has been either excluded or exempted from taxation.

### Real vs. Personal

What is the difference between real and personal property? Real property is property that is more or less permanently affixed. Examples of real property would be land and buildings.

Typically, personal property is movable, or could be moved without serious injury to the building or the personal property. Property that is to be specifically assessed as real property is determined in each county by a document called the "schedule of values". By default, personal property is everything not classified as real property in the schedule of values. Personal property could include equipment, motor vehicles, tractors, etc.

It is important to remember that the county taxes all real and personal property unless specifically exempted or excluded by statute.

### Cost

While it is not the job of the staff to certify the cost of a piece of property, it is important to understand the cost of property for which certification is requested.

Real property is fairly straightforward. If a company purchases 100 acres, then the county will assess them on 100 acres at the market value per acre. If a company builds a 2,000 square foot building, the county will assess them for that 2,000 square foot building at the appropriate cost per square foot.

Personal property is not as straightforward. For example, a piece of equipment may initially cost \$480,000, plus \$6,000 in freight and \$15,000 to install. This equipment could also have other costs needed to get the equipment in operation, such as grading cost of \$35,000 and engineering cost of \$12,000. This business should report this equipment to the county with a total installed cost of \$548,000. These component parts and their costs will also appear on the company's accounting records. The county makes sure these component parts and their costs are reported

## 2 – Principles of Taxation

(listed) for property tax purposes if they are costs of taxable property.

The cost of the equipment to be reported to the tax office is the total of all costs required to get a particular piece of equipment into operation and not just the invoice cost of the equipment.

It is important to certify all component parts required for a piece of equipment to become operational, if the applicant requests it. Sometimes these component parts may be combined together into the asset description of the equipment (see Fig. 1). Sometimes the component parts may be separated out (see Fig 2).

Fig. 1

<u>Equipment</u>	<u>Cost</u>	<u>Year Acquired</u>
Pollution Equipment A	\$548,000	1999

Fig. 2

<u>Equipment</u>	<u>Cost</u>	<u>Year Acquired</u>
Pollution Equipment A	\$480,000	1999
Grading for Equipment A	\$35,000	1999
Engineering Cost	\$12,000	1999
Installation	\$15,000	1999
<u>Freight</u>	<u>\$6,000</u>	1999
Total	\$548,000	

This may not be an issue in practice, as the applicant will often report the equipment as one total sum that includes all of the component parts. But for situations like Fig. 2, all of these component parts should be certified if the actual piece of equipment is to be certified.

As mentioned before, staff is in no way responsible for certifying the actual cost of the equipment. Staff is certifying that the equipment is being used or will be used once constructed or installed for pollution abatement or recycling or resource recovery of or from solid waste.

## 3 – Divisions of Air Quality and Water Resources

[Information in this chapter is intended only for the Divisions of Air Quality and Water Resources]

### What is Certifiable?

General Statute 105-275(8)(a) is applicable to the Division of Air Quality and the Division of Water Resources. An applicant's real and personal property could be certified and qualify for tax exemption if it is used EXCLUSIVELY for pollution abatement AND can meet the following four requirements:

1. The property has been or will be constructed or installed.
2. The property complies with the requirements of the Environmental Management Commission or local air pollution control program.
3. The property operates in accordance with the terms and conditions of the permits and other documents of approval issued by the Environmental Management Commission or local air pollution control program.
4. The property has or will have as its primary purpose, rather than incidental purpose, the reduction of air or water pollutants.

**The property is exclusively used for pollution abatement.** A threshold requirement is that the property is used EXCLUSIVELY (100%) for pollution abatement. This means, for example, that the property cannot be used for pollution abatement 80% of the time and used for other business purposes 20% of the time.

**The property has been or will be constructed or installed.** This requirement is fairly simple. If an applicant is filling out a tax exemption application and has been issued permits by the appropriate division, then more than likely the equipment has already been constructed or will soon be constructed or installed. You should still verify that the equipment is there, and if it is not, find out when it will be constructed or installed.

January 1 is the lien date used for all property in North Carolina. Even though the odds are that you will not visit the facilities of the applicant on January 1, it is important to ask if the equipment being certified had pollution abatement as its primary purpose on the lien date.

Example: A vehicle was used as a company vehicle from January 1, 2023 thru January 4, 2023 to be driven home by an employee each night. On January 5, it was reassigned, with its primary purpose now being pollution abatement.

This vehicle could not qualify for certification for tax year 2023, since on January 1 its primary purpose was not pollution abatement. This is typically not an issue with most equipment, since most of the equipment being certified has only one purpose. The use of equipment such as

### 3 – Divisions of Air Quality and Water Resources

vehicles, computers, etc. that are not normally associated with pollution abatement can be more challenging to classify.

**The property complies with the requirements of the Environmental Management Commission or local air pollution control program.** This requirement deals more with each individual Division of Air Quality or Water Resources. Each division should have minimum requirements that the applicant's equipment must meet in order to remain in compliance with the pollution control program. For the equipment to be certified and remain certified, the equipment should always be in compliance with the pollution control program. It is essential to review the applicant's testing reports to ensure that their equipment is being utilized in the manner in which it was intended to be used. Applicants that continue to fall beneath the minimum standards set for their facilities and equipment may need to have their certification removed, and consequently lose their exemption from property tax.

**The property operates in accordance with the terms and conditions of the permits and other documents of approval issued by the Environmental Management Commission or local air pollution control program.** This requirement reiterates the second requirement in mentioning that the equipment must operate under a pollution control program. It also further states that the equipment qualifying for exemption must ***“operate in accordance with the terms and conditions of the permit, certificate of approval, or other document of approval issued by the Environmental Management Commission or local air pollution control program.”*** This means that the permit, certificate of approval, or other approved document from the appropriate Division must reference the equipment or establish requirements that specific equipment must meet in order for it to qualify for exemption. More importantly, equipment not referenced by the permit or specifically needed to meet the requirements of the permit would not qualify. There are exceptions to this requirement and they are referenced in the “Permit” section below.

**The property has or will have as its primary purpose, rather than incidental purpose, the reduction of air or water pollutants.** The final requirement is to determine if the equipment was put in place with its primary purpose, rather than incidental purpose, to be the reduction of water or air pollutants. Thus, a piece of equipment that was intended primarily for a non-pollution abatement purpose, but just happens to aid in the abatement of pollutants of air and water would not qualify. An Attorney General's Opinion from May 19, 1976 stated: “If there is a reduced amount of pollution, but the reduction is incidental to the other purposes and functions of the device or equipment, that reduction could not be considered the primary purpose.” The opinion was in regards to an air furnace put in place in the early 1970's. The applicant argued that the new furnace put in place reduced the air pollution when compared to the original furnace. The Attorney General's opinion stated that the furnace's primary purpose was to melt metals and was not pollution abatement.

In summary, an applicant's property must be EXCLUSIVELY used for pollution abatement. The word EXCLUSIVELY means 100% of its use. The property must operate under the guidance of the permit or other approved documentation issued by the appropriate Division, thus only equipment requested by the permit or other approved documentation issued from the

### 3 – Divisions of Air Quality and Water Resources

Environmental Management Commission meets the criteria of certification. Finally, the primary purpose of the property must be pollution abatement.

## Permits

**[The word “Permit” is to include the permit and/or the application for the permit.]**

As mentioned above, the issuance of permits is an extremely important factor in whether or not a piece of equipment should be certified. Since one of the provisions to qualify for tax exemption is to be in compliance with the permits or other documents of approval, it stands to reason that only the equipment listed on these documents could be eligible for exemption. However, as with any rule, there is always an exception. These permits or other documents of approval list only the equipment that is involved with the abatement of pollution. The permits also require the proper operation and maintenance of a pollution control program.

In the case of a proper operation and maintenance of a pollution control program, there could be other equipment that should qualify for certification that was not specifically mentioned in the permit or other approved documentation. Examples of this would be where testing is required that cannot reasonably be done without the use of a computer. If testing is a requirement that is mentioned in the permit or other approved documentation, then a computer used to analyze the results could be certified. Please note that this computer still must be used EXCLUSIVELY in conjunction with the pollution abatement equipment, and any other use of this computer would disqualify it from being certified. In this example, you would expect to find the computer in the same room as the equipment or at least connected directly to the equipment in some fashion. These are things to look for to determine if this computer was being EXCLUSIVELY used.

An example directed towards Water Resources would be farm tractors and hay balers. A properly managed pollution control program may require land application sites that grow a crop which help remove the pollutants from the water. To successfully complete this task, tractors and balers would be needed to remove the crops along with the nutrients that they now contain. This equipment could also qualify as long as it was used EXCLUSIVELY for pollution abatement only on the land application area.

An example directed towards Air Quality would be water trucks. The permits may not require water trucks but may require that the dust level be kept to a minimum. One way the applicant could successfully complete this task would be to spray the dirt roads using water trucks. These trucks could qualify if they were being used EXCLUSIVELY as pollution abatement equipment.

Any other use of these trucks or the tractors and balers would cause them to lose their eligibility for certification.

## Buildings and Land

In most cases, a building’s primary purpose is not to reduce the pollutants from air or water, and

### 3 – Divisions of Air Quality and Water Resources

therefore should not normally be considered for certification. However, if the equipment is required by a permit from the Division of Air Quality or Division of Water Resources to be protected by a building or if the DEQ staff determines that the building is required for the proper operation and maintenance of the system, then that building could be certified. If this is the case and the building only contains pollution abatement equipment, then the whole building could be certified. If only a section of the building contained pollution abatement equipment, then only that section could be certified. A test to determine if that section should be certified is: **Can this section be removed without harming the building?** If you removed a section from the middle of a building, you would be leaving a hole in the middle of the building, thus this section could not be certified. Remember, the permit must state, or be the opinion of the technical staff, that it is necessary for the equipment to be placed inside a building for the building to be considered for certification.

Fig. 1

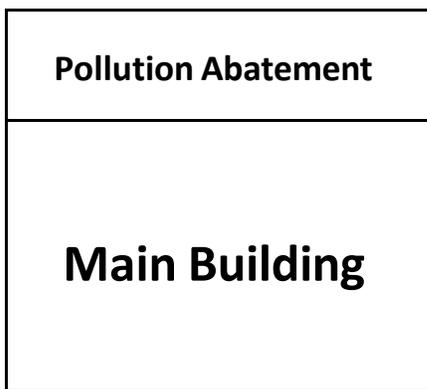
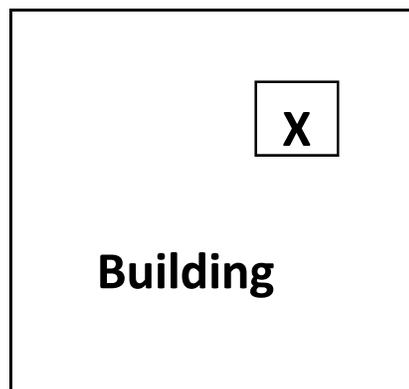


Fig. 2



In Fig. 1, the section of the building that contains the pollution abatement equipment could be removed and the main building could still function. In Fig. 2, if the pollution abatement equipment section (represented by the "X") were removed, it would leave a hole in the building. The section from Fig. 1 could be certified, but the section from Fig. 2 could not.

If the building is being used exclusively for pollution abatement, the building would qualify for certification and the land beneath the building would also qualify. There are two guidelines for the land under a building to qualify. Both of these guidelines pertain only to the land under the building. The first guideline requires the square footage of a building to be equal to or greater than the square footage of the land beneath it. Thus a 2000 square foot building (one story) could not have more than 2,000 square feet of land certified.

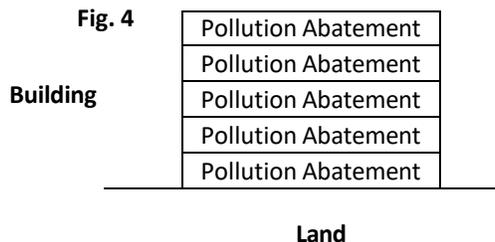
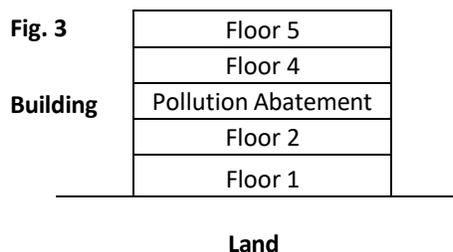
The second guideline requires the area of a building designated for pollution abatement to be **only** one story unless all stories in the building qualify for tax certification. The land under a multi-story building could not be considered as being exclusively used for pollution abatement if one of the floors of the building was used for something else. An example of this would be a two-story building with only one of the floors being used exclusively for pollution abatement. The land beneath the building could not qualify since the land is not being used exclusively for pollution abatement. A percentage of this land is being used for the floor containing the pollution

### 3 – Divisions of Air Quality and Water Resources

abatement equipment and the other percentage is being used for the floor containing the non-pollution abatement equipment.

Another example is conveyor belts used exclusively for pollution abatement, which are hung or suspended from the ceiling. If the floor space beneath these conveyors is being used for any purpose other than pollution abatement, the land beneath this floor could not qualify. In this example we are assuming that the conveyors are hung or suspended high enough so that they do not impede the use of the floor. Again this only pertains to land under a building, as there could always be land that surrounds the building that could meet the requirements to qualify as well.

The one exception to the two guidelines on land qualifying underneath the building is where the entire building is used for pollution abatement. In this particular case the land would qualify even if the building were multistory since the entire building (all floors) qualify.



In Fig. 3 the land could not qualify since it is not being used exclusively for pollution abatement. In Fig. 4 the land could qualify since the land is being used exclusively for pollution abatement. This is assuming that the pollution abatement equipment is certified.

## Vehicles

**[The use of the word “vehicle” is meant to include all sorts of transportation equipment. This could include motor vehicles, boats, planes, golf carts, tractors, etc.]**

As with buildings, a vehicle’s primary purpose typically is not reducing the pollutants in the air or water. For this reason, vehicles should not normally be certified. However, if a vehicle is required by a permit or is deemed necessary by the technical staff for the proper operation and maintenance of the pollution control program, then it could be certified.

As with all other equipment, the vehicle must be used EXCLUSIVELY for the reduction of pollutants from air or water and have as its primary purpose the abatement of pollution. Examples of this would be the water trucks mentioned above, or if a boat was deemed necessary for sampling or testing of surface waters.

## Spare Parts

Spare parts could be certified if they were to be used EXCLUSIVELY for the reduction of pollutants

### 3 – Divisions of Air Quality and Water Resources

from air or water and have that as their primary purpose as well. Spare parts would not qualify for certification unless they were mentioned directly in the permit or they were deemed to be necessary by the technical staff for the proper operation and maintenance of the pollution control program. Nuts and bolts that could be used anywhere throughout the facilities of the applicant which are easily obtained should not be certified. Replacement parts could qualify if the parts could not be easily purchased and would cause the pollution abatement equipment to be out of service for an extended period of time if not available. This decision would have to be made by the technical staff based on their opinion as to the necessity of the spare parts.

#### Land Application Sites

If a permit required the applicant to have a land application site for pollution abatement, then the acreage encompassed by the land application site could qualify for certification. This would be the same for all setback areas or buffer areas that were required as well, with the few exceptions mentioned below. This acreage would have to be used EXCLUSIVELY for the abatement of pollutants from water or air, and any use of the land other than what was required by the permits would make it ineligible for certification. The pollution control program should determine the amount of acreage needed for the land application sites, buffer or setback areas. Only the required acreage can be certified, and it would be helpful for the applicant to provide the technical staff with a map of the property specifically indicating the designated areas.

There are a few scenarios where land application fields should not be certified. The first would be if the applicant owns the land (application fields) but allows an outside farmer to tend and harvest the crop that is grown as a normal agricultural operation. In this case the primary purpose of the land is to grow a harvestable crop by the farmer and the land is not being used exclusively for pollution abatement. **For this reason, it is important for the technical staff to ask who is growing the crop.**

The second scenario involves a farmer owning the land application fields and tending to the crop. The applicant is applying the waste onto the farmer's field, but that is all they are doing. Again in this case, the primary purpose of this land is for the farmer to grow a harvestable crop.

There are also land application systems that deal with animal waste. These land application systems are talked about in the following chapter dealing with Animal Waste Management Systems. These land application systems must meet separate criteria and should not be confused with non-animal waste application systems.

#### Summary for the Divisions of Air Quality and Water Resources

When trying to determine if real or personal property should be certified, the technical staff should ask these simple questions:

1. Is this property being used EXCLUSIVELY (100%) for pollution abatement?
2. Has the equipment been constructed or will soon be constructed?

### 3 – Divisions of Air Quality and Water Resources

3. Is this property complying with the requirements of the Environmental Management Commission or local pollution control program?
4. Is the property required by the permit or other documents of approval to successfully operate and maintain a pollution control program?
5. Is the **PRIMARY** purpose, instead of an incidental purpose, the abatement of pollution?

If the answer is “YES” to **all** of these questions, the property should be certified. If the answer is “NO” to any of these questions, the property does not meet the criteria for certification.

### Examples for the Divisions of Air Quality and Water Resources

The following are examples of property that could be certified. **These examples are intended for Air Quality and Water Resources only.**

Examples below that are indicated as not meeting the requirements for certification can still receive certification if determined by the DEQ staff (Air and Water) as necessary for the proper operation and maintenance of the treatment system. Remember the property must be used EXCLUSIVELY (100%) for the reduction of pollution to be certified.

**This list is for illustrative purposes only and is not intended to be a complete list and may not apply in all circumstances.**

<b>Asset Description</b>	<b>Certify (Yes/No)</b>
Treatment Unit or equipment specifically identified in a DEQ Permit or approval document not otherwise addressed in this list of examples	Yes
Items needed for the proper operation and maintenance of the DEQ approved treatment system not otherwise addressed in this list of examples	Yes
Items needed for the DEQ required sampling and testing of waste, including boats, samplers, wells and testing equipment not otherwise addressed in this list of examples	Yes
<b>Alarms</b>	
Alarm and/or telemetry system required by DEQ Permit	Yes
Alarm and/or telemetry system not required by DEQ Permit	No
<b>Buildings</b>	
Building or structure in which treatment system(s) or equipment are located, if the building or structure is <b>required</b> by a DEQ permit or approval document or deemed to be necessary by the DEQ staff for the proper operation and maintenance of the system	Yes
Building or structure in which treatment system(s) or equipment are located, if the building or structure is <b>not required</b> by a DEQ permit or approval document and are not deemed to be necessary by the DEQ staff for the proper operation and maintenance of the system	No
<b>Collection and Transport Systems</b>	
System for the collection and transfer of waste for treatment	Yes
System for the transfer of treated waste to a point of use or disposal	Yes
Pump that is used 90% of the time for pollution abatement	No
<b>Computers</b>	
Computer located near pollution abatement equipment used by multiple departments	No

### 3 – Divisions of Air Quality and Water Resources

Computer used exclusively to monitor pollution abatement equipment	Yes
Computers used with testing equipment or to control the operation of the treatment system	Yes
Computer used exclusively for DEQ reports and data management	Yes
<b>Cooling Towers</b>	
Cooling towers with water reuse	No
Cooling towers with a heat recovery system	No
Once through cooling towers with no heat recovery	Yes
<b>Containment Systems</b>	
Spill containment systems constructed for chemical and waste storage tanks and facilities	Yes
<b>Drainage Systems</b>	
Drainage system to lower groundwater table to make land application site useable for waste application	Yes
<b>Farm Equipment</b>	
Tractor used exclusively at the land application site that is part of a pollution abatement process	Yes
Tractor used partly at the land application site and partly to mow the grass at the plant	No
Farm equipment used for planting, management or harvesting of crops required to be grown by a DEQ permit or approval document	Yes
<b>Fencing</b>	
Fencing required by a DEQ permit or approval document	Yes
Fencing not required by a DEQ permit or approval document	No
<b>Generators</b>	
Standby power equipment for a treatment system or equipment	Yes
<b>Improvements to the Buildings and Land</b>	
Handrails or other safety equipment for pollution abatement system required by OSHA	Yes
Painting of buildings or treatment units	No
Paved areas used for vehicle and equipment storage	No
<b>Land</b>	
Land used for the land application of waste	Yes
Land needed for buffer or setback areas for land application site with no other use	Yes
Land needed for buffer or setback areas for land application site with other uses such as growing crops (including trees) or residential use.	No
Land under an approved treatment system or treatment equipment	Yes
Site grading and preparation for installation of treatment system	Yes
Site grading and preparation to improve appearance of treatment area	No
<b>Lighting</b>	
Outside lighting for waste storage and treatment area	No
<b>Pollution Control Program Equipment</b>	
Items needed for the proper operation and maintenance of the DEQ approved treatment system	Yes
<b>Spare Parts and Repairs</b>	
Repairs to treatment systems or to equipment	Yes
Spare parts dedicated exclusively to the treatment system	Yes
<b>Testing</b>	
Items needed for the DEQ required sampling and testing of waste, including boats, samplers, wells and testing equipment Engineering and consulting fees for treatment system	Yes
<b>Vehicles (Includes automobiles, boats, golf carts etc.)</b>	
Vehicles needed to transport waste materials to treatment or disposal sites	Yes
Vehicles required for the proper operation and maintenance of the treatment system	Yes
Vehicles used for the convenience of the employees	No

### 3 – Divisions of Air Quality and Water Resources

Vehicles used strictly for pollution abatement equipment	Yes
Vehicles used strictly for pollution abatement, but are driven home each night by an employee	No
<b>Wiring</b>	
Special wiring required to install pollution abatement equipment	Yes
Installation of wiring and cables for operation of a treatment system	Yes
Electrical lines and transformers installed for a treatment system	Yes

**Note:** This list contains examples that the technical staff may encounter when performing inspections. If this list shows that an asset could be certified, it does not mean the asset should automatically be certified. The technical staff should only consider what the applicant requested to be certified. An Inspector cannot certify equipment that was not requested on the application.

# 4 – Animal Waste Management Systems

G.S. 105-275(8)(a1) specifically contemplates animal waste management systems. This statute indicates that animal waste management systems do not qualify for tax certification unless the Environmental Management Commission determines that the system meets all five criteria listed in the statute and determines it to be an environmentally superior technology. For property that is being used as part of an animal waste management system to be certified for tax exemption, it has to be used 100% exclusively for reducing pollution or solid waste.

## The Five Criteria

1. The property eliminates the discharge of animal waste to surface waters and groundwater through direct discharge, seepage, or runoff.
2. The property substantially eliminates atmospheric emissions of ammonia.
3. The property substantially eliminates the emission of odor that is detectable beyond the boundaries of the parcel or tract of land on which the farm is located and animal waste is applied.
4. The property substantially eliminates the release of disease transmitting vectors and airborne pathogens.
5. The property substantially eliminates nutrient and heavy metal contamination of soil and groundwater.

If an individual piece of property is part of a system that meets these five requirements and it is being used exclusively (100%) for reducing pollution, then this property could be certified and exempted from taxation.

Current conventional animal waste lagoons and land application systems do not successfully comply with all five of the criteria. Thus, conventional animal waste lagoon and land application systems do not qualify for certification.

According to G.S. 105-275(8)(a2), farm digester systems can qualify for certification, notwithstanding the above, given that the property meets the “Four Requirements” discussed in detail in Chapter 3.

## 5 – Division of Waste Management

The Solid Waste Section (Section) of the North Carolina Department of Environmental Quality (DEQ) Division of Waste Management (DWM) administers the tax certification program for real property (land and building space) and personal property (equipment) used exclusively in recycling or resource recovery of or from solid waste, in accordance with G.S. 105-275(8)(b).

A business does not have to be a recycling business to apply to the program. DWM does not certify entire facilities as recycling facilities. Rather, DWM certifies individual pieces of equipment, acreage or square footage for land, and square footage for buildings that meet the standards for qualification.

Businesses that submit applications for real and/or personal property may receive a certification for property tax exemption if the property can meet the following statutory and regulatory requirements:

### Statutes and Regulations Governing the Tax Certification Program for Recycling or Resource Recovery of or from a Solid Waste

#### G.S. 105

Chapter 105 of the NC General Statutes governs taxation in North Carolina.

- [G.S. 105-275](#) designates special classes of property as being excluded from the property tax base. Specifically, G.S. 105-275(8)(b) excludes from the tax base any real or personal property that is used exclusively for recycling or resource recovering of or from solid waste if it meets certain conditions.

#### G.S. 130A

Article 9 of Chapter 130A of the NC General Statutes governs solid waste management in North Carolina.

- [G.S. 130A-290](#) provides definitions for multiple terms that apply to the tax certification program for recycling or resource recovery, such as “disposal,” “recovered material,” “recyclable material,” “recycling,” “resource recovery,” “solid waste,” and “storage.”
- [G.S. 130A-294\(a\)\(3\)](#) gives DEQ the authority to adopt rules “to establish standards for qualification as a recycling, reduction, or resource recovering facility or as recycling, reduction or resource recovering equipment for the purpose of special tax classifications or treatment, and to certify as qualifying those applicants which meets the established standards. The standards shall be developed to qualify only those facilities and equipment exclusively used in the actual waste recycling, reduction or resource recovering process and shall exclude any incidental or supportive facilities and equipment.”
- [G.S. 130A-309.05\(c\)](#) establishes requirements for the handling of recovered material.

## 5 – Division of Waste Management

### 15A NCAC 13B .1500

The rules in Title 15A, Subchapter 13B of the NC Administrative Code (NCAC) also govern solid waste management in North Carolina. The rules in Section .1500 “Standards for Special Tax Treatment of Recycling and Resource Recovery Equipment and Facilities” were first adopted in 1976. These rules were required to undergo the process for the periodic review of existing rules under [G.S. 150B-21.3A](#), as enacted by Session Law 2013-413 effective August 23, 2013. DEQ recently completed the readoption of these rules with multiple amendments, and the amended rules became effective March 1, 2021. Applicants should review the amended rules in their entirety prior to submitting an application for tax certification. The effective rules are as follows:

- [Rule .1501](#) - “Definitions”
- [Rule .1502](#) - “Applicability and Application Requirements”
- [Rule .1503](#) - “Standards for Qualification for Tax Certification”

### Major Recycling Facilities

This chapter of this guidance document and the rules in 15A NCAC 13B Section .1500 govern qualification for tax certification under G.S. 105-275(8)(b) only. Certification under G.S. 105-275(8)(d) is applicable only to facilities meeting the definition of a major recycling facility in G.S. 105-129.25.

### Tax Certification for Pollution Abatement

Tax certification for real or personal property used for the purpose of air or water pollution abatement are processed by the NCDEQ Division of Air Quality or the Division of Water Resources, respectively, and are not processed by DWM. The rules in 15A NCAC 13B Section .1500 do not apply to tax certifications for pollution abatement. Please see Chapter 3 of this guidance document for more information on tax certifications for pollution abatement.

### Process for Submitting Tax Certification Applications

This chapter only applies to applications submitted to DWM in accordance with 15A NCAC 13B Section .1500. Applicants will have to submit applications to both DWM and the tax assessor in the county where the real and/or personal property is located. The tax assessors have their own application process and statutory deadlines, and the tax assessor should be contacted with questions regarding their requirements and procedures. The role of DWM in this program is only to verify that the real and/or personal property is used exclusively for recycling and/or resource recovery of or from solid waste. DWM **does not** administer or apply the actual tax exemption. The tax assessor handles the tax exemption, and should be contacted with all tax-related questions.

## 5 – Division of Waste Management

### Submitting an Application to DWM

The online application form, instructions for submission of the online application, and other helpful information can be found on DWM's [Tax Certification Program website](#). If any questions arise, the Compliance Officer in DWM's Solid Waste Section can be contacted for assistance. Contact information for the Compliance Officer can also be found at the program website link above.

Once submitted, DWM will ensure that the application is complete and includes all the necessary items outlined in Rule .1502. If information is missing, DWM will work with the applicant to obtain it. If the applicant does not respond to DWM's request for additional information within 15 days of the request, the application will be returned as incomplete in accordance with Rule .1502(f). Once DWM has determined that the application is complete, the application will be sent to the DWM inspector assigned to the county where the real and/or personal property is located.

### Applying for Leased Property

Real and/or personal property under a lease agreement can also qualify for certification if it meets the requirements in 15A NCAC 13B .1500. However, the application requirements differ slightly:

- Leased property must be listed on a separate application from any owned property (property that is not under a lease agreement).
- To include multiple leased items together in one application, the leased property must have the same lessor, lessee, and lease expiration date. If **any** of this information is different, then multiple applications will be required.
- For each application submitted, a copy of the executed lease (signed by lessor and lessee) must be included and must clearly state the expiration date of the lease.

Unlike tax certifications for owned property, tax certifications for leased property do expire. The expiration date for the tax certification will be the same as the expiration date of the lease.

Please note that DWM **will not accept** any leases that are not signed by both lessor and lessee, and that do not have a definitive expiration date. This includes any leases that are month-to-month. Leases that are past their listed expiration date, but that are being continued on a month-to-month, or year-to-year basis will also not be accepted. Applications that include such leases will be returned as incomplete.

## Qualification of Real and Personal Property

### Qualification of Equipment

It is impossible to provide a specific list of the types of equipment (personal property) that would qualify for exemption in recycling or resource recovery of or from solid waste. This is because virtually any type of equipment can be used for this purpose. A pickup truck could be used exclusively to collect recyclables. A forklift could be used exclusively to move around baled

## 5 – Division of Waste Management

cardboard that is being recycled. A shredder could be used exclusively to shred old tires that could be recycled into new canopies. All of this equipment could qualify for certification if it is being used exclusively for recycling or resource recovery of or from solid waste and otherwise meets the standards for qualification.

### Qualification of Building Space

Areas within any buildings (real property) can qualify for certification if those areas meet the standards for qualification, even if the entire building does not meet those standards.

For example, consider a grocery store that has a baler, which is used exclusively to bale cardboard to be sent for recycling. If this grocery store applied for tax certification for their building, only the square footage directly beneath the cardboard baler would qualify. The area where the cardboard is stored, prior to being baled, could also qualify, if used for no other purpose. Storage of any other item, at any time, in this area would make this area ineligible for certification. Also, if the baler were used part of the time to bale waste to be sent for disposal, or the storage areas were used a part of the time to store any materials intended for disposal, the baler and those areas would not qualify.

### Qualification of Land Under Buildings

If the building space is being used exclusively for recycling or resource recovery of or from solid waste, the land beneath that building space could also qualify. However, there are two guidelines DWM uses when determining whether land under building space might qualify.

1. The first guideline requires the square footage of the building space that qualifies to be equal to or greater than the square footage of the land beneath it that qualifies. Thus a 2,000 square foot building (one story) could not have more than 2,000 square feet of land certified. The only areas of land under buildings that can qualify for certification are the areas located directly beneath building areas that meet the standards for qualification.
2. The second guideline is regarding multi-story buildings. The land under a multi-story building could only qualify if every floor above the land meets the standards for qualification. An example of this would be a storage area for recycling on the first floor of a two-story building, with the entire second floor being offices. While the storage area of the building may qualify for certification, the land beneath it would not. This is because the land is being used for the first floor and the second floor simultaneously. Since the second floor is not being used for recycling, none of the land underneath the building is being used exclusively for recycling. Another example is conveyor belts used exclusively for recycling or resource recovery, which are hung or suspended from the ceiling. If the floor space beneath the conveyor belts is being used for any purpose other than recycling or resource recovery of or from solid waste, then neither the building space nor the land area beneath the conveyor belt would qualify.

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Figures 1 and 2 below illustrate how land underneath a multi-story building is considered.

**Figure 1: Building A**



**Figure 2: Building B**



In the above example, the land beneath Building A could not qualify since two of the three floors above it do not meet the standards for qualification, and thus the land is not being used exclusively for recycling or resource recovery. For Building B, the land may qualify since all floors above the land meet the standards for qualification.

### Qualification of Land Not Under Buildings

In addition to land under buildings, there could be land acreage that is not beneath a building that can be certified if it also meets the standards for qualification for real property. Examples of this might be land that exclusively stores recovered material while it is waiting to be recycled, or that is used exclusively to store containers or equipment that meet the standards for qualification. Land acreage that is not used for any recycling or resource recovery purpose and/or does not meet the standards for qualification, such as ponds, forested areas, or unused vacant land, would not qualify.

### Items that DWM Does Not Check or Verify

The role of DWM within this program is to determine whether the property included in the application meets the standards for qualification in the administrative code. DWM does not certify or verify whether the applicant is complying with tax laws, or whether they are following requirements from the county tax assessor. Items that DWM does not check include, but are not limited to, the following:

1. DWM does not verify the reported cost or value of any property. The original cost of personal property is requested in the application form for record-keeping, reference, and reporting purposes only.
2. DWM does not determine whether the applicant has submitted the proper application to the tax assessor on time. All deadlines are determined by statute and would be enforced by the tax assessor.
3. DWM does not determine the tax years to which the exemption should apply. Any certification issued by DWM will show the date the completed application was received, the date of DWM's inspection or verification of the requested property, and the date the certification was issued/approved. The county tax assessor determines to which tax

## 5 – Division of Waste Management

year(s) the certification applies.

4. DWM does not verify or determine whether all applicable or potentially qualifying property was included on the application. DWM does not audit property listings. All property listings are subject to audit by the county tax assessor.

### Clarification of Some Types of Property That Would Not Qualify for Certification

The following list includes items that applicants commonly include in applications, but which do not qualify. This list is provided for clarification and informational purposes only to assist with filling out the application; and is not an all-inclusive list of items that will not qualify.

#### Real and Personal Property that Handles Waste for Disposal

[Rule .1503\(b\)\(6\) and \(c\)\(7\)](#) states that real or personal property used at any time to handle waste intended for disposal does not qualify. It does not qualify because it is not being used exclusively for recycling or resource recovery.

#### Real and Personal Property that Handles a New Material

[Rule .1503\(b\)\(6\) and \(c\)\(7\)](#) states that real or personal property used at any time to handle new material does not qualify. It does not qualify because the recycling process ends when the new material is formed, even if the complete manufacturing process has not ended. This would mean any equipment used to process or handle the new material would not qualify. An example of this would be a company that recycles wood waste into mulch. Equipment used to grind the wood waste to produce the mulch may qualify for tax certification if it is used for no other purpose and otherwise meets the standards for qualification. However, any equipment used to add color to the mulch, any equipment used to package it for sale or transportation, and any land or facility space used to store the new material would not qualify since the recycling process was finished when the mulch was created.

#### Real and Personal Property that Handles Production Scrap

[Rule .1503\(b\)\(6\) and \(c\)\(7\)](#) states that real or personal property used at any time to handle production scrap does not qualify. It does not qualify because the property is being used only in a production process; and is not being used in a recycling or resource recovery process. The terms “production process” and “production scrap” are defined in [Rule .1501\(7\) and \(8\)](#), respectively. The definition of “production scrap” also provides an example, but the definition is not limited to that example.

#### Incidental or Supportive Equipment or Facilities

[Rule .1503\(b\)\(5\) and \(c\)\(6\)](#) states that incidental or supportive equipment (personal property) or facilities (real property) do not qualify, as required by G.S. 130A-294(a)(3). The terms “incidental or supportive equipment” and “incidental or supportive facilities” are defined in [Rule .1501\(3\) and \(4\)](#), respectively. The definitions also provide some examples of property that are generally

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considered to be incidental or supportive, but the examples given are not comprehensive lists. Other types of property may be considered incidental or supportive if they otherwise meet the definitions.

### Issuance of Certifications

Determination of whether the property listed in the application qualifies for tax certification is made by DWM following inspection or verification and review of the requested property. If property included in the application is determined to qualify then a tax certification will be issued listing the qualifying property. This certification will be provided to the applicant and to the tax assessor in the county where the property is located.

Tax certifications for owned (not leased) property do not include an expiration date. However please be aware of the following circumstances that would cause an issued certification to no longer be valid:

- Per [Rule .1503\(j\)](#), tax certifications are not transferable. If the owner of the certified property changes or the location of the property changes after the certification is issued, the tax certification will no longer be valid for that property.
- Per [Rule .1503\(k\)](#), if the use of the property changes after the certification is issued, and the new use does not meet the standards for qualification in Rule .1503, then the tax certification will no longer be valid for the property that changed use.
- Per [Rule .1503\(l\)](#), if, after the certification is issued, the person receiving the benefit of exemption from the property tax base ceases to be in compliance with the laws or rules administered or enforced by DEQ, then DEQ may revoke the tax certification.
- Per [Rule .1503\(m\)](#), if, after the certification is issued, DEQ discovers that false information was provided in the application, then DEQ may revoke the tax certification.

Tax certifications for leased property expire when the lease expires. The expiration date will be listed on the certification. All the circumstances listed above that would cause a certification to no longer be valid are also applicable to tax certifications for leased property. In addition, if leased property is returned to the owner prior to the end of the lease, or the lessor or lessee changes, this constitutes a change in ownership of the property. After the lease and the certification expire and the lease is renewed, the applicant must submit a new application that meets the requirements of [Rule .1502](#), including a copy of the new lease, if they wish to obtain a new tax certification.

If DWM determines that none of the property listed in the application qualifies for tax certification, then DWM will notify the applicant and the county tax assessor in writing via email, explaining the reason for the decision.

## Where to Find Additional Information

Additional information on the tax certification program for recycling or resource recovery of or from solid waste can be found on DWM's [Tax Certification website](#).

For help completing the online application, or to ask additional questions regarding tax certifications for recycling or resource recovery, please contact the Compliance Officer in DWM's Solid Waste Section. You can find the contact information for the Compliance Officer at the website link above. Please note that the Compliance Officer will not be able answer questions regarding whether specific items of equipment or property will qualify. The Compliance Officer will also not be able to answer any questions regarding tax savings or other tax incentives in North Carolina. The applicant may contact DEQ's [Recycling Business Assistance Center](#) in the [Division of Environmental Assistance and Customer Service](#) (DEACS) for information on recycling business incentives in North Carolina.

## 6 – Cotton Dust

Tangible personal property that is used exclusively for, or if being installed, is to be used exclusively for the prevention or reduction of cotton dust inside a textile plant for the protection of the health of the employees can be exempted from property taxes. G.S. 105-275(8)(c) details the requirements and restrictions of this exemption. This exemption does not require the property to be certified by any division of DEQ and it is solely up to the discretion of the county assessor to accept or deny any application for exemption in regard to cotton dust. As this statute requires, the Department of Revenue has adopted guidelines to assist the county assessor in administering this exemption. These guidelines for the assessor can be found in Title 17, Chapter 10, sections .0403 thru .0406 of the North Carolina Administrative Codes. They read as follows:

### 17 NCAC 10 .0403 DEFINITIONS

In construing the provisions of G.S. 105-275(8)c and this Section, the following definitions and interpretations shall apply:

- (1) "Used Exclusively" means used only or solely, to the exclusion of all other uses.
- (2) "Cotton Dust" means dust present in the air during the handling or processing of cotton, which may contain a mixture of many substances including ground up plant matter, fiber, bacteria, fungi, soil, pesticides, non-cotton plant matter and other contaminants which may have accumulated with the cotton during the growing, harvesting and subsequent processing or storage periods. Any dust present during the handling and processing of cotton through the weaving or knitting of fabrics is considered cotton dust.
- (3) "Textile Plant."
  - (a) "Textile Plant" means a factory or other industrial or manufacturing workplace where cotton or cotton-blend fibers or yarns are manufactured or processed, up to and including the weaving or knitting of fabrics.
  - (b) "Textile Plant" does not mean a factory or other industrial or manufacturing workplace where woven or knitted cloth or fabric is handled or processed. For example, a factory where garments are manufactured is not a "textile plant."

### 17 NCAC 10 .0404 SCOPE

(a) The tangible personal property covered by G.S. 105-275(8)c includes the following types of equipment:

- (1) Safety apparel, masks, respirators, breathing apparatus or any other item of personal protective equipment used exclusively to protect employees from hazardous exposure to cotton dust.
- (2) Scrubbers, filters, cyclones, condensers, separators, spray chambers, water curtains or any other item of machinery, equipment or material that is used to reduce the level of cotton dust by removal or collection of the cotton dust from the air.
- (3) Fans, pumps compressors or any other power-driven machine that causes a continuous flow of air.
- (4) Electrical wiring, ductwork, piping, motors, control system, equipment enclosures,

## 6 – Cotton Dust

special structural support systems or any other supporting equipment associated with and necessary for the proper operation of any category of personal property listed in Subparagraphs (2) and (3) of this Paragraph.

(b) The Subparagraphs listed in Paragraph (a) of this Rule are for illustrative purposes only and are not intended to be an exhaustive listing of qualifying property. Neither does the inclusion of an item in this list indicate that it will, in every case, qualify for the exclusion. A determination must be made in each case that the property claimed as exempt meets all requirements of the exclusion.

### 17 NCAC 10 .0405 PROCEDURE FOR CLAIMING EXCLUSION

(a) In order to receive the benefit of G.S. 105-275(8)c, the owner must file an application for exemption with the county assessor of the county in which the property is situated as provided in G.S. 105-282.1. The application is to be filed during the regular listing period as provided in G.S. 105-307.

(b) The application must contain a complete description of the property and shall reflect investment figures and pertinent information relative to its value.

(c) The application shall also be accompanied by any other information or documents required by the county assessor to determine the eligibility of the property for the exclusion, such as the following:

- (1) general layout of the equipment or system;
- (2) specifications of the equipment or system;
- (3) function(s) of the equipment or system;
- (4) construction schedule, if not completed, including the anticipated date of final completion; or
- (5) the names, addresses and telephone numbers of the individuals responsible for management, operation and maintenance of the equipment or system.

### 17 NCAC 10 .0406 VALUATION OF EXCLUDED PROPERTY

(a) After a determination has been made that certain property meets all the requirements for exclusion under G.S. 105-275(8)c, the county assessor must then establish the amount to be excluded. This determination shall be made in accordance with the methods used by the county to appraise other similar property subject to taxation.

(b) Although the statute does not provide for proration, it does not preclude the exclusion of otherwise qualifying property which, by the nature of an operation, is a component part or system of a total operating system. An example of this is the ductwork and filtration system which is a part of an automated bale opening system in a textile plant. The ductwork and filtration system along with related wiring and piping would qualify for the exclusion even though the opener itself and any related production equipment would not.

(c) In any case in which the property owner is unable to furnish exact figures or other specific information regarding the value of qualifying property, the county assessor shall estimate the amount to be excluded on the basis of the best information available.

In 2003, the General Assembly added language to the exemption to allow cotton dust equipment that has been integrated into the air conditioning system to receive the exemption.

## 7 – Application for Certification and Exemption

### Air and Water Pollution Abatement and Recycling or Resource Recovery of or from Solid Waste

The majority of exemptions obtained under G.S. 105-275(8) are for air and water pollution abatement under G.S. 105-275(8)(a) and for recycling or resource recovery of or from solid waste under G.S. 105-275(8)(b). Because these exemptions require a DEQ certification, the owner or the lessee of the property must:

**Apply for certification through one of the three DEQ divisions.**

**and**

**Apply for exemption to the county tax assessor.**

DOR and DEQ have worked together to establish a coordinated application process. The applications will serve as both the application to DEQ for certification and to the county tax assessor for property tax exemption. The completed application must be filed with both:

1. the applicable DEQ division, and
2. the [county tax assessor](#).

Typically, the applicant will complete and submit the application to the DEQ division and then file a copy with the county tax assessor.

The applications are located at the applicable DEQ division:

[\*\*Form TC-AQ Division of Air Quality Application for Tax Certification & Exemption\*\*](#)

[\*\*Form TC-WQ Division of Water Resources Application for Tax Certification & Exemption\*\*](#)

[\*\*Form TC-WM Division of Waste Management Application for Tax Certification & Exemption\\*\*\*](#)

\*The DEQ Division of Waste Management is no longer accepting paper applications. All requests for certification by DWM must be submitted through their online application process. A copy of the completed online application and any attachments must also be submitted to the county tax assessor.

### Animal Waste Management Systems and Cotton Dust Prevention or Reduction

Animal waste management systems and cotton dust prevention or reduction applications do not require DEQ certifications but are subject to other statutory requirements. Applications should be submitted directly to the county tax assessor on [\*\*Form AV-10 Application for Property Tax Exemption\*\*](#), along with any necessary documentation.

### Timely Applications to the County Tax Assessor

There is no specified order for filing the applications with DEQ and the county tax assessor, but there are restrictions regarding a timely filing of the application with the county tax assessor.

Per G.S. 105-282.1(a) **“an owner claiming an exemption or exclusion from property taxes must file an application for the exemption or exclusion ... during the listing period.”** (Emphasis added.)

In order to be timely filed, the statute requires that the applicant file an application during the listing period, which is the month of January, unless the listing period has been extended. If an extension of the listing period is granted, the deadline to timely file the application with the tax assessor is also extended to the end of the revised listing period.

### Untimely Applications to the County Tax Assessor

An application received after the regular listing period has ended or after an extension (if granted) has expired is considered an untimely application. The property cannot be exempted for the current year without the approval of the governing body. Further, the untimely application must be filed before the end of the calendar year.

### Frequency of Application to the County Tax Assessor

Per G.S. 105-282.1(a)(2), an applicant filing for exemption under G.S. 105-275(8) must:

**“...file an application for the benefit to receive it. Once the application has been approved, the owner does not need to file an application in subsequent years unless new or additional property is acquired or improvements are added or removed, necessitating a change in the valuation of the property, or there is a change in the use of the property or the qualifications or eligibility of the taxpayer necessitating a review of the benefit.”**

Any changes or additions to the property will require a new application to be submitted to the county tax office where the property is located. Any change in DEQ certification status will require the applicant to file a new application with the county tax assessor.

### Additional Information

[Pollution Abatement and Recycling Equipment Guidelines and Forms](#)