Policy on moving misapplied property tax payments

Purpose

The purpose of this policy is to establish consistent guidelines for the correction of misapplied property tax payments while ensuring compliance with the North Carolina General Statutes and protecting the interests of the county, taxpayers, and third parties who may rely on the tax records.

Legal Authority

North Carolina General Statutes 105-380 and 105-381 authorize the release or refund of property taxes only in limited circumstances, such as illegal taxes or taxes levied due to clerical errors made by the tax office. Errors made by taxpayers or their agents generally do not justify the release or refund of taxes under these statutes.

Moving a payment from one property to another may constitute a release of taxes on the property to which the payment was originally applied. Therefore, the safest and most legally compliant practice is not to move payments when the error was made by the taxpayer or their agent.

However, in limited situations and when no harm to the county or third party would result, the Tax Office may consider correcting taxpayer errors by transferring payments between properties in accordance with the guidelines below.

General Policy

The Tax Office will not routinely move property tax payments that were applied according to the instructions provided by the taxpayers or their agent. Requests to move payments will be reviewed on a case-by-case basis and may only be approved when conditions outlined in this policy are met.

Situations where payments may be moved

A tax payment may be moved from one property to another only when all of the following conditions are met:

1. The payment was applied to the incorrect property due to an error made by the taxpayer or mortgage agent
2. The request to correct the payment is made no later than December 1 of the year payment was applied.
3. Neither property involved in the requested transfer has changed ownership since the payment was applied.
4. The taxes for the applicable tax year have not become delinquent.
5. No statement of taxes due has been issued for either property under NCGS 105-361

If all of these conditions are met, the Tax Office may move the payment as an administrative correction.

All other situations, the payment will not be moved.