



North Carolina Department of Revenue

Michael F. Easley
Governor

E. Norris Tolson
Secretary

October 27, 2004

MEMORANDUM

TO: County Assessors

FROM: David Baker, Director *DBB*
Property Tax Division

SUBJECT: Fair and Equitable Tobacco Reform Act of 2004

The Fair and Equitable Tobacco Reform Act of 2004 has been signed by the President and has now become law. The program provides compensation and transition payments to tobacco quota owners and active growers, which will be paid out over the next 10 years and will be funded by assessments on tobacco product manufacturers and importers.

Additionally, for the 2005 crops and subsequent crops, there are no longer any safety net or production control provisions. This means that tobacco can be grown anywhere in the United States without limitations on production amounts or without government protection on price or income.

Therefore, for the 2005 tax year and subsequent years, all counties are advised that they should remove any special appraisal procedures that they may have implemented on tobacco quotas. This includes removing any special pricing applied to both the market value and the present use value based on the previous tobacco quota system.

If you have any questions, please do not hesitate to contact our office at (919) 733-7711.