SENATE BILL 532

Short Title: Inheritance Tax Interest Deduction.   (Public)

Sponsors: Senator Winner of Buncombe.

Referred to: Finance.

March 23, 1993

1   A BILL TO BE ENTITLED
2   AN ACT TO PROVIDE THAT ALL INTEREST EXPENSES ARE DEDUCTIBLE
3   FOR INHERITANCE TAX PURPOSES.
4   The General Assembly of North Carolina enacts:
5   Section 1. G.S. 105-9 reads as rewritten:
6   **"§ 105-9. Deductions.**
7   In determining the clear market value of property taxed under this Article, or
8   schedule, the following deductions, and no others, shall be allowed:
9   (1)   Taxes accrued and unpaid at the death of the decedent and unpaid ad
10   valorem taxes accruing during the calendar year of death.
11   (2)   Drainage and street assessments (fiscal year in which death occurred).
12   (3)   Reasonable funeral and burial expenses, which shall include bequests
13   and devises in trust, the entire net income from which is to be applied
14   perpetually to the care and preservation of the burial lot or burial
15   grounds within which the decedent is buried, the enclosure thereof and
16   the structures thereon to the extent to which the value of such bequests
17   and devises does not exceed the smaller of the following amounts: One
18   thousand two hundred fifty dollars ($1,250), or two per centum (2%)
19   of the amount of the decedent's gross estate.
20   (4)   Debts of decedent.
21   (5)   Estate and inheritance taxes paid to other states, and death duties paid
22   to foreign countries.
23   (6)   The amount actually expended for monuments not exceeding the sum
24   of two thousand five hundred dollars ($2,500).

1   (7)   Commissions of executors and administrators actually allowed and
2   paid.
3   (8)   Costs of administration, including reasonable attorneys' ~~fees.~~ fees and
4   interest expenses."
5   Sec. 2. This act becomes effective July 1, 1993, and applies to the estates of
6 decedents dying on or after that date.