

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 362

Short Title: Repeal Gift Tax.

(Public)

Sponsors: Representatives Gray; Cansler, Capps, Davis, Justus, Kiser, Rayfield, Sherrill, Smith, Walend, and Wood.

Referred to: Finance.

March 8, 1999

A BILL TO BE ENTITLED

AN ACT TO REPEAL THE GIFT TAX.

The General Assembly of North Carolina enacts:

Section 1. Article 6 of Chapter 105 of the General Statutes is repealed.

Section 2. G.S. 35A-1336(2) reads as rewritten:

"The judge shall not approve ~~such~~the gifts unless it appears ~~to his satisfaction~~ that:

...

(2) Each donee is a donee to which a competent donor could make a gift, without limit as to amount, without incurring ~~federal or State~~ gift tax liability;".

Section 3. G.S. 35A-1341(2) reads as rewritten:

"The judge shall not approve ~~such~~the gifts unless it appears ~~to his satisfaction~~ that:

...

(2) Each donee is a donee to which a competent donor could make a gift, without limit as to amount, without incurring ~~federal or State~~ gift tax liability;".

Section 4. G.S. 35A-1351(3) reads as rewritten:

"The judge shall not approve the gift unless it appears ~~to his satisfaction~~ that:

...

1 (3) Each donee of any part of the life interest is a donee to which a
2 competent donor could make a gift, without limit as to amount, without
3 incurring federal or State gift tax liability;".

4 Section 5. G.S. 105-263 reads as rewritten:

5 **"§ 105-263. Extensions of time for filing a report or return.**

6 The Secretary may extend the time in which a person must file a report or return with
7 the Secretary. To obtain an extension of time for filing a report or return, a person must
8 comply with any application requirement set by the Secretary. An extension of time for
9 filing a franchise tax return, ~~an income tax return, or a gift~~ return or an income tax return
10 does not extend the time for paying the tax due or the time when a penalty attaches for
11 failure to pay the tax. An extension of time for filing a report or any return other than a
12 franchise tax return, ~~an income tax return, or a gift~~ or an income tax return extends the time
13 for paying the tax due and the time when a penalty attaches for failure to pay the tax.
14 When an extension of time for filing a report or return extends the time for paying the tax
15 expected to be due with the report or return, interest, at the rate established pursuant to
16 G.S. 105-241.1(i), accrues on the tax due from the original due date of the report or return
17 to the date the tax is paid."

18 Section 6. G.S. 143B-221 reads as rewritten:

19 **"§ 143B-221. Department of Revenue – organization.**

20 The Department of Revenue shall be organized ~~initially to include the Property Tax~~
21 ~~Commission, the Division of Inheritance and Gift Tax, Division of Privilege License,~~
22 ~~Beverage and Cigarette Tax, Division of Corporate Income and Franchise Tax, Division~~
23 ~~of Individual Income Tax, Division of Sales and Use Tax, Division of Intangibles Tax,~~
24 ~~Division of Gasoline Tax, Division of Audit and Collection, Division of Accounts,~~
25 ~~Division of Planning and Processing, the Division of Tax Research, the Ad Valorem Tax~~
26 ~~Division, and such other divisions as may be established under the provisions of the~~
27 ~~Executive Organization Act of 1973.~~ in accordance with Article 1 of this Chapter.

28 The Secretary of Revenue may ~~create and appoint~~ create, appoint, and disband
29 committees and councils to consult with and advise him and the subordinate officers of the
30 Department on matters relating to the duties, responsibilities, or functions of the
31 Department; and he may disband any such committee or council at his pleasure. ~~Department."~~

32 Section 7. This act does not affect the rights or liabilities of the State, a
33 taxpayer, or another person arising under a statute amended or repealed by this act before
34 the effective date of its amendment or repeal; nor does it affect the right to any refund or
35 credit of a tax that accrued under the amended or repealed statute before the effective
36 date of its amendment or repeal.

37 Section 8. This act becomes effective January 1, 2000, and applies to gifts
38 made on or after that date.