

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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HOUSE BILL 276

Short Title: Estate Tax on Multi-State Property.

(Public)

Sponsors: Representative Haire.

Referred to: Finance.

February 27, 2001

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE FORMULA FOR CALCULATING NORTH  
CAROLINA ESTATE TAX ON ESTATES WITH PROPERTY IN MORE THAN  
ONE STATE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-32.2 reads as rewritten:

**"§ 105-32.2. Estate tax imposed in amount equal to federal state death tax credit.**

(a) Tax. – An estate tax is imposed on the estate of a decedent when a federal estate tax is imposed on the estate under section 2001 of the Code and any of the following apply:

(1) The decedent was a resident of this State at death.

(2) The decedent was not a resident of this State at death and owned any of the following:

a. Real property or tangible personal property that is located in this State.

b. Intangible personal property that has a tax situs in this State.

(b) Amount. – The amount of the estate tax imposed by this section is the maximum credit for state death taxes allowed under section 2011 of the Code. If any property in the estate is located in a state other than North Carolina, the amount of tax payable is the North Carolina percentage of the credit.

If the decedent was a resident of this State at death, the North Carolina percentage is the ~~net-gross~~ value of the estate that does not have a tax situs in another state, divided by the ~~net-gross~~ value of all property in the estate. If the decedent was not a resident of this State at death, the North Carolina percentage is the ~~net-gross~~ value of real property that is located in North Carolina plus the ~~net-gross~~ value of any personal property that has a tax situs in North Carolina, divided by the ~~net-gross~~ value of all property in the estate, ~~unless the decedent's state of residence uses a different formula to determine that state's~~

1 ~~percentage. In that circumstance, the North Carolina percentage is the amount~~  
2 ~~determined by the formula used by the decedent's state of residence. estate.~~

3     ~~The net-gross value of property that is located in or has a tax situs in this State is its~~  
4 ~~gross value reduced by any debt secured by that property. The net value of all the~~  
5 ~~property in the estate is its gross value reduced by any debts and deductions of the~~  
6 ~~estate. as finally determined for federal estate tax purposes."~~

7             **SECTION 2.** This act becomes effective January 1, 2002, and applies to the  
8 estates of decedents dying on or after that date.