

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

FILED SENATE  
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S.B. 795  
PRINCIPAL CLERK

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SENATE BILL DRS15375-Nif-175

Short Title: Modify Taxation of 1031 Exchanges. (Public)

Sponsors: Senator Burgin (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODIFY THE TAXATION OF CERTAIN AMOUNTS OF GAIN IN A 1031  
3 EXCHANGE.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-130.5(b) reads as rewritten:

6 "(b) The following deductions from federal taxable income shall be made in determining  
7 State net income:

8 ...

9 (33) Any amount included in federal taxable income as non-like-kind property  
10 received in an exchange under section 1031 of the Code to the extent it does  
11 not exceed the taxpayer's basis in the property sold."

12 SECTION 2. G.S. 105-153.5(b) reads as rewritten:

13 "(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may  
14 deduct from the taxpayer's adjusted gross income any of the following items that are included in  
15 the taxpayer's adjusted gross income:

16 ...

17 (17) Any amount included in federal taxable income as non-like-kind property  
18 received in an exchange under section 1031 of the Code to the extent it does  
19 not exceed the taxpayer's basis in the property sold."

20 SECTION 3. This act is effective for taxable years beginning on or after January 1,  
21 2026.



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