

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

**S**

**D**

**SENATE DRS15204-RBz-33 (03/26)**

Short Title:   Modify Estate Tax Law. (Public)

---

Sponsors:   Senators Hoyle, Brunstetter, Clodfelter, Dalton, Hartsell, and Kerr.

---

Referred to:

---

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(b) reads as rewritten:

"(b)   Amount. – The amount of the estate tax imposed by this section is the amount of the state death tax credit that, as of December 31, 2001, would have been allowed under section 2011 of the Code against the federal taxable estate. The tax may not exceed the amount of federal estate tax due under the Code. The federal taxable estate and the amount of the federal estate tax due are determined without taking into account the deduction for state death taxes allowed under Section 2058 of the Code and the credits allowed under sections 2011 through 2015 of the Code.

If any property in the estate is located in a state other than North Carolina, the amount of tax payable depends on whether the decedent was a resident of this State at death. If the decedent was a resident of this State at death, the amount of tax due under this section is reduced by ~~the lesser of the amount of the death tax paid the other state or~~ an amount computed by multiplying the credit by a fraction, the numerator of which is the gross value of the estate that has a tax situs in another state and the denominator of which is the value of the decedent's gross estate. If the decedent was not a resident of this State at death, the amount of tax due under this section is an amount computed by multiplying the credit by a fraction, the numerator of which is the gross value of real property that is located in North Carolina plus the gross value of any personal property that has a tax situs in North Carolina and the denominator of which is the value of the decedent's gross estate. For purposes of this section, the gross value of property is its gross value as finally determined in the federal estate tax proceedings."

1           **SECTION 2.** This act is effective when it becomes law and applies  
2 retroactively to the estates of decedents for which the statute of limitations for claiming  
3 a refund had not expired as of December 28, 2007. A personal representative of an  
4 estate for which the statute of limitations had not expired as of December 28, 2007, may  
5 file a claim for refund under G.S. 105-241.6.