

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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SENATE BILL 461

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

Sponsors: Senator Burgin (Primary Sponsor).

Referred to: Rules and Operations of the Senate

March 25, 2025

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

The General Assembly of North Carolina enacts:

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

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

...

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

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

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

...

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

SECTION 3. This act is effective for taxable years beginning on or after January 1,
2025.

