GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 795

Short Title:	Modify Taxation of 1031 Exchanges.	(Public)
Sponsors:	Senator Burgin (Primary Sponsor).	
Referred to:	Rules and Operations of the Senate	

April 22, 2026

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, 2026.