

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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HOUSE BILL 166

Short Title: No Gift Tax on Family Farms.

(Public)

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Sponsors: Representatives Capps; Mitchell, Davis, and Pope.

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Referred to: Finance.

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February 19, 2001

A BILL TO BE ENTITLED

AN ACT TO EXEMPT FAMILY FARM PROPERTY FROM GIFT TAX.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-188 is amended by adding a new subsection to read:

"(1) Family Farms. – The tax does not apply to property that meets all of the following conditions:

(1) It is transferred to a member of the donor's family, as defined in section 2032A of the Code.

(2) It is a qualified family-owned business interest as defined in section 2057 of the Code, or is real or tangible personal property that is used in such a business.

(3) The business is actively engaged, under a sound management program, in the commercial production or growing of crops, plants, or animals, the commercial growing of trees, or the commercial production or growing of fruits, vegetables, or nursery or floral products."

**SECTION 2.** This act becomes effective July 1, 2001, and applies to transfers made on or after that date.