

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

FILED SENATE  
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SENATE BILL DRS15201-MCf-167

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 2025.



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