

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

H

1

HOUSE BILL 184

Short Title: Modify Inheritance Tax Interest.

(Public)

Sponsors: Representative Dawkins.

Referred to: Judiciary.

February 9, 1989

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT INTEREST ON ADDITIONAL INHERITANCE AND ESTATE TAX ASSESSMENTS SHALL RUN FROM THE DATE OF THE FEDERAL ESTATE TAX ADJUSTMENT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-16 reads as rewritten:

"§ 105-16. Interest and penalty.

All (a) Except as provided in subsection (b), all taxes imposed by this Article shall be due and payable at the death of the testator, intestate, grantor, donor or vendor; if not paid within nine months from date of death of the testator, intestate, grantor, donor or vendor, such tax shall bear interest at the rate established pursuant to G.S. 105-241.1(i), to be computed from the expiration of nine months from the date of the death of such testator, intestate, grantor, donor or vendor until paid: Provided, that if the taxes herein levied shall not be paid in full within nine months from the later of the date of death of the testator, intestate, grantor, donor or vendor, or from the qualification of the executor or administrator, then and in such case a penalty of ten per centum percent (10%) upon the amount of taxes remaining due and unpaid shall be added: Provided further, that the penalty of ten per centum percent (10%) herein imposed may be remitted by the Secretary of Revenue in case of unavoidable delay in settlement of estate or of pending litigation, and the Secretary of Revenue is further authorized, in case of protracted litigation or other delay in settlement not attributable to laches of the party liable for the tax, to remit all or any portion of the interest charges accruing under this schedule, with respect to so much of the estate as was involved in such litigation or other unavoidable

1 cause of delay. Provided, that the time for payment and collection of such tax may be  
2 extended by the Secretary of Revenue for reasonable cause shown.

3 (b) Where the Secretary of Revenue assesses additional taxes due by an estate  
4 under this Article based on a final determination by the federal government made after  
5 the executor or administrator has filed the report under this Article, as provided in G.S.  
6 105-29, then the additional taxes assessed shall bear interest at the rate provided in G.S.  
7 105-241.1 from the date the executor or administrator received notice of the final  
8 determination by the federal government, and the ten percent (10%) penalty shall not be  
9 imposed unless the additional taxes remain unpaid more than three months after the  
10 executor or administrator received notice of the final determination by the federal  
11 government."

12 Sec. 2. This act shall become effective October 1, 1989, and applies to  
13 assessments of additional inheritance and estate taxes made pursuant to G.S. 105-29 on  
14 or after that date.