

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 925
SENATE BILL 1273

AN ACT TO PROVIDE THAT WHEN A MOTOR VEHICLE IS TRANSFERRED INCIDENT TO ORGANIZATION OF A PARTNERSHIP OR CORPORATION, AND NO GAIN OR LOSS WOULD BE RECOGNIZED FOR INCOME TAX PURPOSES ON SUCH TRANSFER, NO SALES TAX IS DUE ON SUCH TRANSFER.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.4(1) is amended by adding the following at the end of the fourth paragraph: "When property is transferred by an individual to a partnership or corporation, and no gain or loss arises as provided by Section 351 or Section 721 of the Code, such transfer is not a sale for the purpose of this subdivision if the transfer is incident to the organization of the partnership or corporation."

Sec. 2. This section shall become effective with respect to transfers occurring on or after September 1, 1986.

In the General Assembly read three times and ratified, this the 7th day of July, 1986.