

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 778
HOUSE BILL 24

AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE USED IN DETERMINING CERTAIN TAXABLE INCOME AND TAX EXEMPTIONS, AND TO MAKE TECHNICAL CHANGES IN THE INCOME TAX STATUTES NECESSITATED BY THE TAX REFORM ACT OF 1986.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-2.1, 105-114, 105-130.2(1), 105-135(15), 105-163.1(11), and 105-212 are each amended by deleting the phrase "January 1, 1986, and includes any provisions enacted as of that date which become effective after that date" and substituting the phrase "January 1, 1987, and includes any provisions enacted as of that date which become effective either before or after that date".

Sec. 2. G.S. 105-130.5(a) (8) and G.S. 105-130.5(b) (10) are repealed.

Sec. 3. G.S. 105-130.5(d) is repealed.

Sec. 4. G.S. 105-141.2 and G.S. 105-147(21)b. are each amended by deleting the phrases "Internal Revenue Code of 1954, as amended" or "Internal Revenue Code of 1954, as amended," and substituting the word "Code".

Sec. 5. G.S. 105-163 is rewritten to read:

"§ 105-163. Grantor trusts.—The grantor of a trust or another person who is treated as the owner of the trust under §§ 671 through 678 of the Code shall, if allowed under Division II of this Article, include in the computation of the amount of tax owed by him under that Division those items of income, deductions, and credits against the tax of the trust that are attributable to the portion of the trust he is considered to own."

Sec. 6. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 12th day of August, 1987.