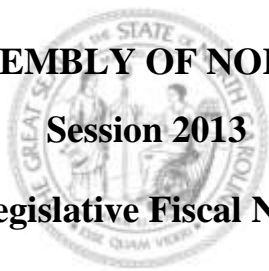


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2013

Legislative Fiscal Note

BILL NUMBER: House Bill 101 (First Edition)

SHORT TITLE: Repeal Estate Tax.

SPONSOR(S): Representatives Martin, Howard, Moffitt, and Setzer

FISCAL IMPACT					
(\$ in millions)					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Estimate Available					
State Impact	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund Revenues:	(52.0)	(57.0)	(60.0)	(63.0)	(66.0)
General Fund Expenditures:					
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:					
NET STATE IMPACT	(52.0)	(57.0)	(60.0)	(63.0)	(66.0)
Local Impact					
Revenues:					
Expenditures:					
NET LOCAL IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Department of Revenue					
EFFECTIVE DATE: Effective for decedents dying on or after January 1, 2013					
TECHNICAL CONSIDERATIONS: None					

BILL SUMMARY: The bill would repeal the North Carolina estate tax for decedents dying on or after January 1, 2013.

ASSUMPTIONS AND METHODOLOGY: The fiscal impact is an estimate of the estate tax foregone as a result of the repeal of the tax.

The fiscal estimate is based on tax return data obtained from the Department of Revenue for the 2007, 2008, and 2009 tax years; 15 years of baseline changes to the state estate tax; IRS data on the estate tax, and various estimates of changes in the federal estate tax by the Joint Committee on Taxation (JCT).

Recent federal legislation (The American Taxpayer Relief Act) permanently provides for an annual inflation-adjusted \$5 million exclusion from the estate tax for estates of decedents dying on or after January 1, 2013. Under current law, North Carolina imposes an estate tax on an estate only when a federal estate tax is imposed. Consequently, the fiscal impact from the repeal of the estate tax for decedents dying on or after January 1, 2013 is based on the \$5 million exclusion.

SOURCES OF DATA: NC Dept. of Revenue; Fiscal Research; the federal Joint Committee on Taxation, Internal Revenue Service

TECHNICAL CONSIDERATIONS: None

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Fiscal Research Division

DATE: February 15, 2013



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