

**§ 105-32.2. Estate tax imposed in amount equal to federal state death tax credit.**

(a) Tax. – An estate tax is imposed on the estate of a decedent when a federal estate tax is imposed on the estate under section 2001 of the Code and any of the following apply:

- (1) The decedent was a resident of this State at death.
- (2) The decedent was not a resident of this State at death and owned any of the following:
  - a. Real property or tangible personal property that is located in this State.
  - b. Intangible personal property that has a tax situs in this State.

(b) Amount. – The amount of the estate tax imposed by this section is the amount of the state death tax credit that, as of December 31, 2001, would have been allowed under section 2011 of the Code against the federal taxable estate. The tax may not exceed the amount of federal estate tax due under the Code. The federal taxable estate and the amount of the federal estate tax due are determined without taking into account the deduction for state death taxes allowed under Section 2058 of the Code and the credits allowed under sections 2011 through 2015 of the Code.

If any property in the estate is located in a state other than North Carolina, the amount of tax payable depends on whether the decedent was a resident of this State at death. If the decedent was a resident of this State at death, the amount of tax due under this section is reduced by an amount computed by multiplying the credit by a fraction, the numerator of which is the gross value of the estate that has a tax situs in another state and the denominator of which is the value of the decedent's gross estate. If the decedent was not a resident of this State at death, the amount of tax due under this section is an amount computed by multiplying the credit by a fraction, the numerator of which is the gross value of real property that is located in North Carolina plus the gross value of any personal property that has a tax situs in North Carolina and the denominator of which is the value of the decedent's gross estate. For purposes of this section, the gross value of property is its gross value as finally determined in the federal estate tax proceedings. (1998-212, s. 29A.2(b); 2002-87, s. 9; 2002-126, ss. 30C.3(a), 30C.3(b); 2003-284, ss. 37A.4, 37A.5; 2003-416, s. 1; 2004-170, ss. 1, 4(a), (b); 2005-144, ss. 8.1, 8.2; 2006-162, s. 26; 2008-107, s. 28.17(a).)