

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE DRH10241-LU-101 (04/05)

Short Title: Consider Tax Consequences/Equit. Distribution. (Public)

Sponsors: Representatives Hackney and Goodwin (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE LAWS REGARDING EQUITABLE DISTRIBUTION
BY REQUIRING THE COURT TO CONSIDER EVIDENCE RELATING TO
BUILT-IN TAXES AND OTHER TAX CONSEQUENCES OF THE PARTIES TO
A DIVORCE ACTION IN DETERMINING EQUITABLE DISTRIBUTION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 50-20(c)(11) reads as rewritten:

"(c) There shall be an equal division by using net value of marital property and net value of divisible property unless the court determines that an equal division is not equitable. If the court determines that an equal division is not equitable, the court shall divide the marital property and divisible property equitably. The court shall consider all of the following factors under this subsection:

...

(11) The tax consequences to each party-party, including those federal or State consequences that would have been incurred if the marital or divisible property had been sold or liquidated on the date of valuation, regardless of whether a sale or liquidation has taken place, is imminent, or is reasonably foreseeable.

...."

SECTION 2. This act is effective when it becomes law.