

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 1318

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

Sponsors: Representatives Hackney and Goodwin (Primary Sponsors).

Referred to: Judiciary I.

April 20, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE LAWS REGARDING EQUITABLE DISTRIBUTION
3 BY REQUIRING THE COURT TO CONSIDER EVIDENCE RELATING TO
4 BUILT-IN TAXES AND OTHER TAX CONSEQUENCES OF THE PARTIES TO
5 A DIVORCE ACTION IN DETERMINING EQUITABLE DISTRIBUTION.

6 The General Assembly of North Carolina enacts:

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

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

13 ...

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

19 "

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