

# Gift Tax Return

North Carolina Department of Revenue

**For Calendar Year**

Office Use Only

Office Use Only
Date Received Stamp

County of \_\_\_\_\_ (Donor's Residence)

Original  Amended

**Mail to:** North Carolina Dept. of Revenue, P. O. Box 25000, Raleigh, N. C. 27640-0100

Donor \_\_\_\_\_ Social Security Number \_\_\_\_\_ Age \_\_\_\_\_

Donor's Address \_\_\_\_\_ Telephone Number \_\_\_\_\_

Attorney \_\_\_\_\_ Firm Name \_\_\_\_\_  
of: \_\_\_\_\_

Attorney's Mailing Address \_\_\_\_\_ Telephone Number \_\_\_\_\_

Accountant \_\_\_\_\_ Firm Name \_\_\_\_\_  
of: \_\_\_\_\_

Accountant's Mailing Address \_\_\_\_\_ Telephone Number \_\_\_\_\_

A North Carolina Gift Tax Return is required if you transferred property (real or personal) without receiving consideration equal to the *fair market value* of the property and the fair market value exceeds the consideration paid by the **annual exclusion amount**. **The annual exclusion amount is equal to the federal inflation-adjusted amount provided in section 2503(b) of the Internal Revenue Code.** (For tax years prior to 2002, the annual exclusion amount was \$10,000.) The annual exclusion amount minimum *does not apply*, however, to gifts of future interest. North Carolina Gift Tax returns are required of nonresidents when the gift is real estate or tangible personal property located or having a tax situs in North Carolina. Complete the **Schedule of Gifts** on pages 2 and 3 and the **Computation of Tax Schedule** on page 4.

**Due Date:** This return must be filed on/or before April 15th following the close of the calendar year in which the gift is made.

### Consent of Spouse

**Important:** If you are claiming the annual exclusion of your spouse for gifts made during the calendar year, complete this section. Your spouse must sign in the appropriate space below. (See instructions for **Consent of Spouse** on page 2.)

1. Name of spouse \_\_\_\_\_
2. Were you married when gift was made?  Yes  No
3. Were both you and your spouse residents of North Carolina when gift was made?  Yes  No
4. If the answer to # 2 or # 3 is no, the exclusion cannot be claimed.
5. You cannot claim your spouse's annual exclusion unless the return is timely filed.
6. Will a gift tax return for this calendar year be filed by your spouse?  Yes  No

I consent to allow my spouse to claim my annual exclusion for the calendar year for gifts made to third parties. Any exclusion claimed by my spouse for the calendar year will not be claimed on any gift tax return filed by me.

Signature of Spouse \_\_\_\_\_ Date \_\_\_\_\_

### Declaration and Tax Information Authorization

The North Carolina Department of Revenue is authorized to receive federal tax information from the Internal Revenue Service pursuant to section 6103(d) of the Internal Revenue Code. Under federal law, the Department cannot disclose such information to a third party without the taxpayer's written consent and authorization. This authorization must be completed or other written authorization furnished to the Department if any individual other than the taxpayer is to appear or otherwise represent a taxpayer before the Department of Revenue or to receive information from the Department of Revenue in any matter in which Federal gift tax information is involved.

I hereby authorize the Attorney/Accountant shown above to receive and inspect confidential tax information contained in this return from the North Carolina Department of Revenue.

I hereby affirm that this return including accompanying schedules and statements, if any, has been examined by me, and, to the best of my knowledge and belief, is true and complete and is made in good faith pursuant to the Revenue Laws and regulations issued under authority thereof.

Signature of Donor \_\_\_\_\_ Date \_\_\_\_\_ Amount paid with this return \$ \_\_\_\_\_

(Space below for Departmental use only)

	Date	Amount

Donor:

Year:

1	2	3	4
Donee No.	Donee: Name Address Relationship	Date of Gift	Description of Gift Property

Totals			
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**Instructions**

- The description of real estate should include acreage, location, allotments, and acres cleared (col. 4). Attach a copy of the deed(s) and a copy of any appraisal(s) which may have been made.
- When the gift is of a closely-held stock, a balance sheet of the company as near the date of gift as possible and a summary of net income for the preceding five years are required. Also, outline the basis on which the value shown in this return was determined (col. 5).
- When gifts are made in trust or otherwise controlled by agreements, a copy of the signed agreement is required.
- The **annual exclusion** (col. 6) does not apply to transfers where the donee's use, possession, enjoyment, or income of the property will not begin until some future time.
- **Consent of Spouse** - When a gift is made by one spouse to a person other than the donor's spouse, the donor may elect to claim both the donor's annual exclusion and the spouse's annual exclusion provided both spouses consent to the election and both spouses are residents of this State when the gift is made. Any portion of the consenting spouse's annual exclusion not claimed by the donor may be claimed by the consenting spouse. Consent to share annual gift tax exclusions shall be made in writing on a timely filed gift tax return. The election to share annual exclusions is irrevocable. The consent of both spouses must be shown on the return where the exclusions are claimed. Additional exclusions will not be allowed unless the **Consent of Spouse** on the front of the return has been completed. The personal representative for the estate of a deceased spouse, or the guardian of a legally incompetent spouse, may sign the consent.

# of Gifts

Donor:

Year:

5	6	7	8	9	10	11
Fair Market Value at Time of Gift	Annual Exclusion (Not Applicable to Future Interests)	Gross Value of Gift for the Year Subject to Taxation to Each Donee (Col. 5 minus Col. 6)	Specific Exemption Claimed for Calendar Year	Net Value of Gifts for the Year Subject to Taxation to Each Donee	Net Value of Gifts on which Tax has been Paid Since 12-31-47	Total Taxable Gifts (Col. 9 Plus Col. 10) (Also Enter the Amounts for Each Donee in Col. 1 of Computation of Tax Schedule on Page 4.)

### Instructions

- The **specific exemption** is limited to a total of \$100,000 in value of taxable gifts made to Class A donees during the lifetime of the donor. This exemption does not apply to Class B or Class C donees. The exemption allowable for the calendar year must be prorated among all Class A donees receiving gifts. The amount of exemption allocated to each donee is in the same ratio as the taxable value he or she receives bears to the total gifts to Class A donees during the year (col. 7).
- Gifts made to a spouse are not subject to gift tax. However, such transfers should be reported for information purposes if they exceed the amount of the annual exclusion.
- **Extensions** - If the return cannot be filed by April 15, you may apply for an automatic 6-month extension of time to file the return. To receive the extension, you must file **Form D-410G, Application for Extension for Filing Gift Tax Return**, by the original due date of the return.
- **Penalties** - If the return is not filed by April 15, a late filing penalty of 5 percent of the tax (maximum 25 percent) is due for each month, or part of a month, the return is late. If the full amount of tax is not paid by April 15, a late payment penalty of 10 percent of the unpaid tax is due (minimum \$5.00).
- **Interest** - Interest on any unpaid tax begins to accrue on April 16th of the year the return is due.

Donor:

Year:

**Instructions (continued)**

- **Computation of Tax** - Determine the amount of tax by completing the **Computation of Tax Schedule** below. The amount of tax for each donee is based on the relationship of the donee to the donor. Use the applicable **Tax Rate Schedule** to compute the amount of tax for each donee and enter the amount in column 2 of the **Computation of Tax Schedule**. **Example:** John Smith is a Class A donee with total taxable gifts of \$38,000. To compute the total tax, use the **Tax Rate Schedule** for Class A donees, find the \$25,000 - \$50,000 line, and make the following computation: (\$38,000 - \$25,000 = \$13,000 x 3% = \$390 + \$400 = \$790 Total Tax)

**Tax Rate Schedules**

**Class A**

Includes: Children, grandchildren, stepchildren, parents

**Class B**

Includes: Brothers, sisters, aunts, uncles, nieces and nephews by blood

**Class C**

Includes: All other donees

Class A			Class B			Class C		
If the amount for each donee in Col. 1 is more than	But not Over	The tax Is	If the amount for each donee in Col. 1 is more than	But not Over	The tax Is	If the amount for each donee in Col. 1 is more than	But not Over	The tax Is
\$ 0	\$ 10,000	1%	\$ 0	\$ 5,000	4%	\$ 0	\$ 10,000	8%
\$ 10,000	\$ 25,000	\$ 100 + 2%	\$ 5,000	\$ 10,000	\$ 200 + 5%	\$ 10,000	\$ 25,000	\$ 800 + 9%
\$ 25,000	\$ 50,000	\$ 400 + 3%	\$ 10,000	\$ 25,000	\$ 450 + 6%	\$ 25,000	\$ 50,000	\$ 2,150 + 10%
\$ 50,000	\$ 100,000	\$ 1,150 + 4%	\$ 25,000	\$ 50,000	\$ 1,350 + 7%	\$ 50,000	\$ 100,000	\$ 4,650 + 11%
\$ 100,000	\$ 200,000	\$ 3,150 + 5%	\$ 50,000	\$ 100,000	\$ 3,100 + 8%	\$ 100,000	\$ 250,000	\$ 10,150 + 12%
\$ 200,000	\$ 500,000	\$ 8,150 + 6%	\$ 100,000	\$ 250,000	\$ 7,100 + 10%	\$ 250,000	\$ 500,000	\$ 28,150 + 13%
\$ 500,000	\$ 1,000,000	\$ 26,150 + 7%	\$ 250,000	\$ 500,000	\$ 22,100 + 11%	\$ 500,000	\$ 1,000,000	\$ 60,650 + 14%
\$ 1,000,000	\$ 1,500,000	\$ 61,150 + 8%	\$ 500,000	\$ 1,000,000	\$ 49,600 + 12%	\$ 1,000,000	\$ 1,500,000	\$ 130,650 + 15%
\$ 1,500,000	\$ 2,000,000	\$ 101,150 + 9%	\$ 1,000,000	\$ 1,500,000	\$ 109,600 + 13%	\$ 1,500,000	\$ 2,500,000	\$ 205,650 + 16%
\$ 2,000,000	\$ 2,500,000	\$ 146,150 + 10%	\$ 1,500,000	\$ 2,000,000	\$ 174,600 + 14%	\$ 2,500,000	-----	\$ 365,650 + 17%
\$ 2,500,000	\$ 3,000,000	\$ 196,150 + 11%	\$ 2,000,000	\$ 3,000,000	\$ 244,600 + 15%			
\$ 3,000,000	-----	\$ 251,150 + 12%	\$ 3,000,000	-----	\$ 394,600 + 16%			

**Life Estates:** Effective for gifts made on or after June 4, 1997, the table below is used by the N. C. Department of Revenue for determining the value of life estates and remainders for every age of a life tenant from 20-85 years. Contact the Department for life estate values for gifts made before June 4, 1997.

Life Estate		Remainder	Life Estate		Remainder	Life Estate		Remainder	Life Estate		Remainder
Age	6% Basis	6% Basis	Age	6% Basis	6% Basis	Age	6% Basis	6% Basis	Age	6% Basis	6% Basis
20	96.368	3.623	37	90.828	9.172	54	77.891	22.109	71	54.462	45.538
21	96.173	3.827	38	90.334	9.666	55	76.836	23.164	72	52.842	47.158
22	95.967	4.033	39	89.814	10.186	56	75.730	24.270	73	51.164	48.836
23	95.725	4.275	40	89.265	10.735	57	74.572	25.428	74	49.427	50.573
24	95.495	4.505	41	88.687	11.313	58	73.359	26.641	75	47.932	52.068
25	95.224	4.776	42	88.078	11.922	59	72.087	27.913	76	46.079	53.921
26	94.967	5.033	43	87.436	12.564	60	70.755	29.245	77	44.161	55.839
27	94.696	5.304	44	86.760	13.240	61	69.538	30.462	78	42.510	57.490
28	94.378	5.622	45	86.047	13.953	62	68.270	31.730	79	40.810	59.190
29	94.075	5.925	46	85.296	14.704	63	66.756	33.244	80	39.060	60.940
30	93.720	6.280	47	84.504	15.496	64	65.372	34.628	81	37.259	62.741
31	93.382	6.618	48	83.670	16.330	65	63.930	36.070	82	35.404	64.596
32	93.025	6.975	49	82.791	17.209	66	62.428	37.572	83	33.881	66.119
33	92.607	7.393	50	81.864	18.136	67	60.864	39.136	84	31.926	68.074
34	92.209	7.791	51	80.999	19.001	68	59.472	40.528	85 and over	31.926	68.074
35	91.789	8.211	52	79.976	20.024	69	57.784	42.216			
36	91.347	8.653	53	79.020	20.980	70	56.282	43.718			

**Computation of Tax Schedule**

Name of Donee	Age	Relationship of Donee To Donor	(1) Total Taxable Gifts (Column 11, Page 3)	(2) Total Tax	(3) Tax Paid On Prior Gifts	(4) Net Tax Due (Col. 2 minus Col. 3)
1.						
2.						
3.						
4.						
5.						
6.						
7. Totals						

Penalty
Interest
Total Due