

May 12, 2005

H 1715. RENEWABLE ENERGY TAX CREDITS. *TO RECODIFY, EXTEND, AND EXPAND THE TAX CREDITS FOR RENEWABLE ENERGY.* Adds new Article 3H, Renewable Energy Tax Credits, to GS Chapter 105. New article largely tracks major provisions of existing Article 3B of that Chapter, which expire on the same date this new article would become effective. New article: (1) omits credits for purchase of dry cleaning equipment in which non-hazardous substances are used and for construction of commercial renewable fuel equipment; (2) raises the amount that can be claimed as a credit on nonresidential property from \$250,000 to \$2.5 million per installation; (3) provides procedure to specify how credit for pass-through entity is to be allocated among its owners, and provides procedure for forfeiture of credits claimed by owner of a pass-through entity if that owner disposes of enough of its interest to have less than two-thirds of its interest at the time the property was placed in service; and (4) modifies annual report to legislature to require that it specify how credits are allocated among various "technology types" of renewable energy properties (solar thermal, solar electric, etc.). Directs Revenue Laws Study Committee to study issue of whether credit should be capped at 100% of taxpayer's liability. New article effective January 1, 2006, for tax years beginning on and after that date and applies to property placed in service on or after that date; repealed January 1, 2011.

Intro. by Luebke.

Ref. to Finance

GS 105, STUDY