

March 9, 2009

**H 512. INCENTIVES FOR ENERGY CONSERVATION (=S 305).** Filed 3/9/09. *TO CREATE INCENTIVES FOR HIGH-PERFORMANCE HOMES AND RENEWABLE ENERGY, TO REQUIRE REPORTING ON ENERGY USAGE BY PUBLIC SCHOOLS AND STATE INSTITUTIONS OF HIGHER LEARNING, AND TO ADD THE DESIGN PRINCIPLES OF THE NC HEALTHYBUILT HOMES PROGRAM TO THE CERTIFICATION OR RATING SYSTEMS THAT MAY QUALIFY FOR BUILDING PERMIT FEE REDUCTIONS OR PARTIAL REBATES ALLOWED BY COUNTIES AND CITIES IN ORDER TO ENCOURAGE CONSTRUCTION OF BUILDINGS USING SUSTAINABLE DESIGN TO ACHIEVE ENERGY EFFICIENCY.* Identical to S 305, filed 2/24/09.

**Intro. by Holliman, Harrison, Luebke.**

GS 105, 143, 153A, 160A

June 25, 2009

**H 512. INCENTIVES FOR ENERGY CONSERVATION.** Filed 3/9/09. House committee substitute makes the following changes to 1st edition. Changes the title to *AN ACT TO CREATE INCENTIVES FOR RENEWABLE ENERGY AND ENERGY EFFICIENCY.* Adds *whereas clauses* regarding the review of the proposed tax credits by the House Energy and Energy Efficiency Committee.

*Renewable Energy Property Credit.* Amends GS 105-129.15, regarding definitions that apply to Article 3B, GS Chapter 105, Business and Energy Tax Credits, to add new subdivision (3a) to define the term *energy efficiency property* as applying to certain prescribed machinery and equipment or real property, including geothermal equipment and adds new subdivision (3b) to define *fuel cell property* (was, expanded the definition in subdivision (7) for *renewable energy property* to include *geothermal equipment* and *fuel cell property*). Amends subdivision (7) to require that solar energy equipment for water heating be certified by the nonprofit Solar Rating Certification Corporation for performance.

Amends GS 105-129.16A to provide a credit equal to 10% of the cost of the property for investing in fuel cell or energy efficiency property (retains the credit of 35% of the cost of the property for investing in renewable energy property). Specifies that the \$2.5 million cap on the credit applicable to nonresidential property applies to property placed in service by a business entity in furtherance of a commercial enterprise (was, any other purpose other than residential). Also adds fuel cell property and energy efficiency property under the cap. Provides that the tax credit cap for residential property applies to energy efficiency property. Sets the cap on the credit at \$10,500 per installation for combined heat and power property and \$8,400 per installation for geothermal equipment installed for residential use. Permits the tax credit to be taken against the gross premium tax.

*Renewable Energy Facility Construction Credit.* Amends GS 105-130.28 to expand the credit to apply to construction, expansion, or retooling of a facility for the manufacture of property components, fuel cell property, energy efficiency property, and renewable energy property (was in 1st edition, credit against corporate income tax for renewable energy property). Reduces the credit to 10% (was, 25% of the installation and equipment costs of construction, expansion, or retooling paid during the taxable year). Requires that at least 75% of the annual production of property components be intended for end products of fuel cell property, renewable energy property, or energy efficiency property. Permits that the credit be taken against the franchise tax or the corporate income tax. Clarifies that the no double credit provisions apply to the construction, expansion, or retooling of a facility. Sunsets the credit as of January 1, 2016. Amends GS 105-115 to add a definition for *property component* as any part, assembly of parts, material, or supply that is directly incorporated into the end product of fuel cell property, renewable energy property, or energy efficiency component.

Deletes proposed GS 105-130.49 and GS 105-151.33, Construction or improvement of high-performance home. Deletes amendments to GS 143-64.12(a), requiring public schools and universities to provide reports to the State Energy Office. Deletes amendments to GS 153A-340(i) and GS 160A-381(f) regarding NC Healthy Built Homes incentives and certification.

Makes additional conforming and organization changes.

July 22, 2009

**H 512. INCENTIVES FOR ENERGY CONSERVATION.** Filed 3/9/09. House committee substitute makes the following changes to 2nd edition. Deletes contents of the previous edition, except retains and amends GS 105-129.16A(c)(1) and GS 105-129.16A(e) as follows: Amends GS 105-129.16A(c)(1) to specify that the \$2.5 million ceiling on the credit available to a taxpayer for the construction, purchase, or lease of renewable energy property for nonresidential purposes applies to property that is zoned for mixed use and used as both residential and nonresidential property (was, previous edition amended this subdivision to include fuel cell property and energy efficiency property and specified that the ceiling applied to property placed in service by a business entity in furtherance of a commercial enterprise).

Amends GS 105-129.16A(e) to provide that the credit is repealed effective for renewable energy property (was, fuel cell property, renewable energy property, and energy efficiency property) placed into service on or after January 1, 2016.

Changes the title to *AN ACT TO EXTEND THE SUNSET FOR THE CREDIT FOR INVESTING IN RENEWABLE ENERGY PROPERTY AND TO CLARIFY THE DEFINITION OF NONRESIDENTIAL PROPERTY.*

August 4, 2009

**H 512. INCENTIVES FOR ENERGY CONSERVATION.** Filed 3/9/09. Senate committee substitute makes the following changes to 3rd edition. Amends GS 105-129.15(7) to expand the definition for *renewable energy property* to include (1) geothermal heat pumps that use the ground or groundwater as a thermal energy source to heat a structure or as a thermal sink to cool a structure and (2) geothermal equipment that uses the internal heat of the earth as a substitute for traditional energy for water heating or active space heating and cooling. Amends GS 105-129.16A to delete proposed amendment that identified property zoned for mixed use and used for both residential property and nonresidential property as nonresidential property for purposes of applying a ceiling to the tax credit allowed for investing in renewable energy property. Sets the applicable ceiling on the tax credit at \$8,400 per installation for a geothermal heat pump or geothermal equipment placed in service for residential purposes. Amends GS 105-129.17(a) to provide that the credit allowed in GS 105-129.16A is allowed against the following taxes levied in GS Chapter 105: (1) the franchise tax levied in Article 3, (2) the income taxes levied in Article 4, or (3) the gross premiums tax levied in Article 8B. Provides that *all other* credits allowed in Article 3B (Business and energy tax credits) are allowed against the franchise tax levied in Article 3 or the income taxes levied in Article 4 of GS Chapter 105. Makes conforming changes to the title.

September 1, 2009

**SL 2009-548 (H 512). INCENTIVES FOR ENERGY CONSERVATION. AN ACT TO EXTEND THE CREDIT FOR INVESTING IN RENEWABLE ENERGY PROPERTY TO GEOTHERMAL HEAT PUMPS AND EQUIPMENT, TO ALLOW THE CREDIT TO BE TAKEN AGAINST THE GROSS PREMIUMS TAX, AND TO EXTEND THE SUNSET FOR THE CREDIT.** Summarized in *Daily Bulletin* 3/9/09, 6/25/09, 7/22/09, and 8/4/09. Enacted August 28, 2009. Effective for taxable years beginning on or after January 1, 2009.