

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1596
PROPOSED COMMITTEE SUBSTITUTE H1596-PCS10983-TA-18

Short Title: Tax Credit/Water Con. Products and Property.

(Public)

Sponsors:

Referred to:

May 6, 2009

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A TAX CREDIT TO INDIVIDUALS OR BUSINESSES
PURCHASING OR INSTALLING PRODUCTS AND PROPERTY CERTIFIED AS
"WATERSENSE" BY THE UNITED STATES ENVIRONMENTAL PROTECTION
AGENCY.

The General Assembly of North Carolina enacts:

SECTION 1. Part 1 of Article 4 of Chapter 105 of the General Statutes is amended
by adding a new section to read:

"§ 105-130.49. WaterSense program property.

(a) Credit. – A taxpayer who purchases WaterSense program products or property is allowed a credit against the taxes imposed by this Part equal to thirty percent (30%) of the costs to purchase and install the products or purchase or construct property. The credit may not exceed one thousand five hundred dollars (\$1,500) for any taxable year. For purposes of this section, "WaterSense program products or property" means fixtures, equipment, or services that are certified by the United States Environmental Protection Agency as meeting the requirements of the WaterSense program.

(b) Limitations. – The credit may be claimed only by the first purchaser of the WaterSense program products or property and may not be claimed by a person who purchases the fixtures, equipment, or services for resale or for use outside this State. The credit allowed under this section may not exceed the amount of tax imposed by this Part for the taxable year reduced by the sum of all credits allowable, except tax payments made by or on behalf of the taxpayer. Any unused portion of a credit under this section may be carried forward for the next succeeding five years.

(c) Substantiation. – In order to claim a credit under this section, the taxpayer must include with the tax return documentation that the products or property with respect to which a credit is claimed is WaterSense program products or property.

(d) Sunset. – This section is repealed effective for taxable years beginning on or after January 1, 2014."

SECTION 2. Part 2 of Article 4 of Chapter 105 of the General Statutes is amended
by adding a new section to read:

"§ 105-151.33. WaterSense program property.

(a) Credit. – A taxpayer who purchases WaterSense program products or property is allowed a credit against the taxes imposed by this Part equal to thirty percent (30%) of the costs to purchase and install the products or purchase or construct property. The credit may not



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1 exceed one thousand five hundred dollars (\$1,500) for any taxable year. For purposes of this
2 section, "WaterSense program products or property" means fixtures, equipment, or services that
3 are certified by the United States Environmental Protection Agency as meeting the
4 requirements of the WaterSense program.

5 (b) Limitations. – The credit may be claimed only by the first purchaser of the
6 WaterSense program products or property and may not be claimed by a person who purchases
7 the fixtures, equipment, or services for resale or for use outside this State. The credit allowed
8 under this section may not exceed the amount of tax imposed by this Part for the taxable year
9 reduced by the sum of all credits allowable, except tax payments made by or on behalf of the
10 taxpayer. Any unused portion of a credit under this section may be carried forward for the next
11 succeeding five years.

12 (c) Substantiation. – In order to claim a credit under this section, the taxpayer must
13 include with the tax return documentation that the products or property with respect to which a
14 credit is claimed is WaterSense program products or property.

15 (d) Sunset. – This section is repealed effective for taxable years beginning on or after
16 January 1, 2014."

17 **SECTION 3.** This act is effective for taxable years beginning on or after January 1,
18 2010, and applies to amounts paid or incurred by a taxpayer for purchase or installation of
19 certified WaterSense program products or property on or after that date.