

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE DRS45162-MQ-56A (03/12)

Short Title: Econ. Dev./Renewable Energy Credit. (Public)

Sponsors: Senators Lowe and D. Davis (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO EXTEND THE TAX CREDIT FOR RENEWABLE ENERGY PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-129.16A reads as rewritten:

"§ 105-129.16A. Credit for investing in renewable energy property.

(a) Credit. – If a taxpayer that has constructed, purchased, or leased renewable energy property places it in service in this State during the taxable year, the taxpayer is allowed a credit equal to thirty-five percent (35%) of the cost of the property. In the case of renewable energy property that serves a nonbusiness purpose, the credit must be taken for the taxable year in which the property is placed in service. For all other renewable energy property, the entire credit may not be taken for the taxable year in which the property is placed in service but must be taken in five equal installments beginning with the taxable year in which the property is placed in service. Upon request of a taxpayer that leases renewable energy property, the lessor of the property must give the taxpayer a statement that describes the renewable energy property and states the cost of the property. No credit is allowed under this section to the extent the cost of the renewable energy property was provided by public funds. For the purposes of this section, "public funds" does not include grants made under section 1603 of the American Recovery and Reinvestment Tax Act of 2009.

(b) Expiration. – If, in one of the years in which the installment of a credit accrues, the renewable energy property with respect to which the credit was claimed is disposed of, taken out of service, or moved out of State, the credit expires and the taxpayer may not take any remaining installment of the credit. The taxpayer may, however, take the portion of an installment that accrued in a previous year and was carried forward to the extent permitted under G.S. 105-129.17.

(c) Ceilings. – The credit allowed by this section may not exceed the applicable ceilings provided in this subsection.

(1) Business. – A ceiling of two million five hundred thousand dollars (\$2,500,000) applies to each installation of renewable energy property placed in service for a business purpose. Renewable energy property is placed in service for a business purpose if the useful energy generated by the property is offered for sale or is used on-site for a purpose other than providing energy to a residence.

(2) Nonbusiness. – The following ceilings apply to renewable energy property placed in service for a nonbusiness purpose:



- 1 a. One thousand four hundred dollars (\$1,400) per dwelling unit for
2 solar energy equipment for domestic water heating, including pool
3 heating.
- 4 b. Three thousand five hundred dollars (\$3,500) per dwelling unit for
5 solar energy equipment for active space heating, combined active
6 space and domestic hot water systems, and passive space heating.
- 7 c. Eight thousand four hundred dollars (\$8,400) for each installation of
8 geothermal equipment.
- 9 d. Ten thousand five hundred dollars (\$10,500) for each installation of
10 any other renewable energy property.
- 11 (3) **(Effective for taxable years beginning on or after January 1, 2011)**
12 Eco-Industrial Park. – A ceiling of five million dollars (\$5,000,000) applies
13 to each installation of renewable energy property placed in service at an
14 Eco-Industrial Park certified under G.S. 143B-437.08 for a business purpose
15 described in subdivision (1) of this subsection.
- 16 (d) No Double Credit. – A taxpayer that claims any other credit allowed under this
17 Chapter with respect to renewable energy property may not take the credit allowed in this
18 section with respect to the same property. A taxpayer may not take the credit allowed in this
19 section for renewable energy property the taxpayer leases from another unless the taxpayer
20 obtains the lessor's written certification that the lessor will not claim a credit under this Chapter
21 with respect to the property.
- 22 (e) Sunset. – This section is repealed effective for renewable energy property placed
23 into service on or after January 1, ~~2016~~2020."
- 24 **SECTION 2.** This act is effective when it becomes law.