



## **Safe Harbor Extension for Renewable Energy Property Tax Credit**

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North Carolina Department of Revenue*



# *Safe Harbor Extension*

## *Background*

- **Statute Reference**

- N.C.Gen.Stat. 105-129.16A. – Credit for Investing in Renewable Energy Property

- **S.L. 2015-11 Stated Purpose**

- To provide a safe harbor for renewable energy projects that are substantially completed by January 1, 2016

- **Conditions Which Must Be Met by January 1<sup>st</sup>**

1. Incurred at least the minimum percentage of costs of the project; and
2. Completed at least the minimum percentage of the physical construction of the project

- **Key Completion Thresholds**

- Projects less than 65 megawatts: 80%
- Projects equal to or more than 65 megawatts: 50%



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## *Key Dates and Agency Actions*

- **April 30, 2015:** Legislation signed by Governor McCrory
- **July 15, 2015:** NCDOR released drafts of the NC-478EX forms to CPA/attorney community for review and feedback
- **August 4, 2015:** NC-478EX published on agency website
- **September 29, 2015:** NCDOR published Frequently Asked Questions resource document to agency website
- **December 30, 2015:** Additional NC-478EX forms published on NCDOR website



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## *Taxpayer and Agency Responsibilities*

### Taxpayer Responsibilities

- Submit application and application fee by October 1, 2015
- Report will be due to the NCDOR by March 1, 2016:
  - Certification that minimum construction thresholds were met by January 1, 2016
  - Notarized copy of written report on project status prepared by independent engineer
  - Notarized copy of written report on project financials prepared by certified public accountant

### NCDOR Responsibilities

- Review applications which were due to the agency by October 1, 2015
- Ensure taxpayer has provided adequate payment for application fee (varies depending on project size)
- Examine taxpayer returns and documentation to determine and verify if they are eligible for credit



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## *Secrecy Requirements under N.C.Gen.Stat. 105-259*

- Under N.C.Gen.Stat. 105-259, the agency is prohibited from disclosing tax information to parties outside the NCDOR. Tax Information includes:
  - Information contained on a tax return, a tax report, or an application for a license for which a tax is imposed
  - Information obtained through an audit of a taxpayer or by correspondence with a taxpayer
  - Information on whether a taxpayer has filed a tax return or tax report
  - A list or compilation of the names, addresses, social security numbers, or similar information concerning taxpayers.

**NOTE: The definition of taxpayer information does not include statistics classified so that information about specific taxpayers cannot be identified.**



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## *Aggregate Data*

- Number of applications received by 10/1/15 deadline: **201**
- Total application fees received by the NCDOR: **\$1,918,735.00**
- Total megawatts reported on applications: **1641.168525 MW**
- Total credits reported on applications: **\$937,804,785.00**
- Total number of credits actually taken by the taxpayer will be included in the NCDOR's 2018 Economic Incentives Report



## *Contact Information*

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