

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE DRH10281-LC-228 (5/18)

Short Title: Renewable Energy Tax Credits.

(Public)

Sponsors: Representative Tolson.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE TAX CREDITS FOR PURCHASING, DISPENSING, AND
PROCESSING RENEWABLE FUELS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-129.15 is amended by adding a new subdivision to
read:

"(8) Renewable fuel. – Either of the following:

a. Biodiesel derived from pure virgin soybean oil in a two percent
(2%) minimum blend.

b. Ethanol or methanol either unmixed or in mixtures with
gasoline that are seventy percent (70%) or more ethanol or
methanol by volume."

SECTION 2. Article 3B of Chapter 105 of the General Statutes is amended
by adding a new section to read:

"§ 105-129.16D. Credit for renewable fuel.

(a) Purchase. – A taxpayer that purchases at retail 750 or more gallons of
renewable fuel during the taxable year is allowed a credit equal to ten percent (10%) of
the cost of the fuel. For fuel purchased for business use, the credit allowed by this
section may not exceed one thousand two hundred dollars (\$1,200) for the taxable year.
For fuel purchased for nonbusiness use, the credit allowed by this section may not
exceed three hundred fifty dollars (\$350.00) for the taxable year.

(b) Distribution. – A taxpayer that constructs and installs and places in service in
this State a commercial facility for dispensing renewable fuel is allowed a credit equal
to fifteen percent (15%) of the cost to the taxpayer of constructing and installing the
dispensing facility, including pumps, storage tanks, and related equipment.

(c) Processing. – A taxpayer that constructs and places in service in this State a
commercial facility for processing renewable fuel is allowed a credit equal to

1 twenty-five percent (25%) of the cost to the taxpayer of constructing and equipping the
2 facility. The entire credit may not be taken for the taxable year in which the facility is
3 placed in service but must be taken in seven equal installments beginning with the
4 taxable year in which the facility is placed in service. If, in one of the years in which the
5 installment of a credit accrues, the facility with respect to which the credit was claimed
6 is disposed of or taken out of service, the credit expires and the taxpayer may not take
7 any remaining installment of the credit. The taxpayer may, however, take the portion of
8 an installment that accrued in a previous year and was carried forward to the extent
9 permitted under G.S. 105-129.17.

10 (d) No Double Credit. – A taxpayer that claims any other credit allowed under
11 this Chapter with respect to an activity described in subsections (a) through (c) of this
12 section may not take the credit allowed in this section with respect to the same activity."

13 **SECTION 3.** This act becomes effective for taxable years beginning on or
14 after January 1, 2005.