

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE DRH80277-LY-230 (4/13)

Short Title: Expand Renewable Energy Tax Credit. (Public)

Sponsors: Representative Vinson.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO EXTEND THE CREDIT FOR CONSTRUCTING A RENEWABLE ENERGY EQUIPMENT FACILITY TO INCLUDE FUEL CELLS AND MICROTURBINES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-130.28 reads as rewritten:

"§ 105-130.28. Credit against corporate income tax for construction of a renewable energy or distributed energy equipment facility.

(a) Credit. – A corporation that constructs in North Carolina a facility for the manufacture of renewable energy equipment or distributed energy equipment is allowed a credit against the tax imposed by this Part equal to twenty-five percent (25%) of the installation and equipment costs of construction paid during the taxable year. The entire credit may not be taken for the taxable year in which the costs are paid but must be taken in five equal installments beginning with the taxable year in which the costs are paid.

No credit is allowed, however, to the extent that any of the costs of the equipment were provided by federal, State, or local grants. To secure the credit allowed by this section, the taxpayer must own or control the facility at the time of construction.

(b) Definitions. – The following definitions apply in this section:

(1) Biomass equipment. – Products designed to use renewable biomass resources for biofuel production of ethanol, methanol, and biodiesel; anaerobic biogas production of methane utilizing agricultural and animal waste or garbage; or commercial thermal or electrical generation from renewable energy crops or wood waste materials. The term also includes related devices for converting, conditioning, and storing the liquid fuels, gas, and electricity produced with biomass equipment.

- 1 (1a) Distributed energy equipment. – A fuel cell or microturbine.
2 (1b) Fuel cell. – A device that converts chemical energy into electricity
3 directly from hydrogen or hydrocarbon fuel without combustion.
4 (2) Hydroelectric generator. – Defined in G.S. 105-129.15.
5 (2a) Microturbine. – A generator that uses a single stage centrifugal
6 compressor and that has a peak generation capacity of 300 kilowatts or
7 less.
8 (3) Renewable biomass resources. – Defined in G.S. 105-129.15.
9 (4) Renewable energy equipment. – Biomass equipment, hydroelectric
10 generators, solar electric or thermal equipment, and wind energy
11 equipment.
12 (5) Solar electric or thermal equipment. – Products designed to convert
13 sunlight into electricity or heat.
14 (6) Wind energy equipment. – Products designed to capture and convert
15 wind energy into electricity or mechanical power.
16 (c) Cap. – The credit allowed by this section may not exceed fifty percent (50%)
17 of the amount of the tax imposed by this Part for the taxable year reduced by the sum of
18 all credits allowable, except payments of tax made by or on behalf of the taxpayer. This
19 limitation applies to the cumulative amount of the credit, including carryforwards,
20 claimed by the taxpayer under this section for the taxable year. Any unused portion of
21 the credit may be carried forward for the succeeding 10 years.
22 (d) No Double Credit. – A taxpayer that claims any other credit allowed under
23 this Chapter with respect to construction of a facility for the manufacture of renewable
24 energy equipment or distributed energy equipment may not take the credit allowed in
25 this section with respect to the same facility.
26 (e) Sunset. – This section is repealed effective for costs incurred on or after
27 January 1, 2011."
28 **SECTION 2.** Section 3 of S.L. 2000-128 is repealed.
29 **SECTION 3.** Section 1 of this act is effective for taxable years beginning on
30 or after January 1, 2005. The remainder of this act is effective when it becomes law.