

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 1369

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

Sponsors: Representatives Vinson; Folwell, Glazier, Harrison, Martin, McMahan, Moore, Steen, Walend, and Wiley.

Referred to: Finance.

April 21, 2005

A BILL TO BE ENTITLED

1 AN ACT TO EXTEND THE CREDIT FOR CONSTRUCTING A RENEWABLE
2 ENERGY EQUIPMENT FACILITY TO INCLUDE FUEL CELLS AND
3 MICROTURBINES.
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5 The General Assembly of North Carolina enacts:

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

7 "**§ 105-130.28. Credit against corporate income tax for construction of a**
8 **renewable energy or distributed energy equipment facility.**

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

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

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

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

28 (1a) Distributed energy equipment. – A fuel cell or microturbine.

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