

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1596

Short Title: Tax Credit for Water Conserving Property. (Public)

Sponsors: Representatives K. Alexander, Mackey (Primary Sponsors); Cotham, Faison, Gibson, Harrison, Stewart, and Wray.

Referred to: Water Resources and Infrastructure, if favorable, Finance.

May 6, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE A TAX CREDIT TO INDIVIDUALS OR BUSINESSES
3 PURCHASING PRODUCTS CERTIFIED AS "WATERSENSE" BY THE UNITED
4 STATES ENVIRONMENTAL PROTECTION AGENCY.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Part 1 of Article 4 of Chapter 105 of the General Statutes is amended
7 by adding a new section to read:

8 **"§ 105-130.49. WaterSense program property.**

9 (a) Credit. – A taxpayer who purchases WaterSense program property is allowed a
10 credit against the taxes imposed by this Part equal to thirty percent (30%) of the purchase cost.
11 The credit may not exceed one thousand five hundred dollars (\$1,500) for any taxable year. For
12 purposes of this section, "WaterSense program property" means any property that is certified
13 by the United States Environmental Protection Agency as meeting the requirements of the
14 WaterSense program.

15 (b) Limitations. – The credit may be claimed only by the first purchaser of the
16 WaterSense program property and may not be claimed by a person who purchases the
17 equipment for resale or for use outside this State. The credit allowed under this section may not
18 exceed the amount of tax imposed by this Part for the taxable year reduced by the sum of all
19 credits allowable, except tax payments made by or on behalf of the taxpayer. Any unused
20 portion of a credit under this section may be carried forward for the next succeeding five years.

21 (c) Substantiation. – In order to claim a credit under this section, the taxpayer must
22 include with the tax return documentation that the property with respect to which a credit is
23 claimed is WaterSense program property.

24 (d) Sunset. – This section is repealed effective for taxable years beginning on or after
25 January 1, 2014."

26 **SECTION 2.** Part 2 of Article 4 of Chapter 105 of the General Statutes is amended
27 by adding a new section to read:

28 **"§ 105-151.33. WaterSense program property.**

29 (a) Credit. – A taxpayer who purchases WaterSense program property is allowed a
30 credit against the taxes imposed by this Part equal to thirty percent (30%) of the purchase cost.
31 The credit may not exceed one thousand five hundred dollars (\$1,500) for any taxable year. For
32 purposes of this section, "WaterSense program property" means any property that is certified
33 by the United States Environmental Protection Agency as meeting the requirements of the
34 WaterSense program.

35 (b) Limitations. – The credit may be claimed only by the first purchaser of the
36 WaterSense program property and may not be claimed by a person who purchases the



1 equipment for resale or for use outside this State. The credit allowed under this section may not
2 exceed the amount of tax imposed by this Part for the taxable year reduced by the sum of all
3 credits allowable, except tax payments made by or on behalf of the taxpayer. Any unused
4 portion of a credit under this section may be carried forward for the next succeeding five years.

5 (c) Substantiation. – In order to claim a credit under this section, the taxpayer must
6 include with the tax return documentation that the property with respect to which a credit is
7 claimed is WaterSense program property.

8 (d) Sunset. – This section is repealed effective for taxable years beginning on or after
9 January 1, 2014."

10 **SECTION 3.** This act is effective for taxable years beginning on or after January 1,
11 2010, and applies to amounts paid or incurred by a taxpayer for certified WaterSense program
12 property on or after that date.