

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1473
Committee Substitute Favorable 6/15/99

Short Title: Renewable Energy Mfr Credit.

(Public)

Sponsors:

Referred to:

May 13, 1999

A BILL TO BE ENTITLED
AN ACT TO MODIFY THE INCOME TAX CREDIT FOR MANUFACTURERS OF
CERTAIN RENEWABLE ENERGY EQUIPMENT AND TO SUNSET THE
CREDIT FOR COSTS INCURRED DURING TAXABLE YEARS BEGINNING ON
OR AFTER JANUARY 1, 2002.

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 photovoltaic renewable energy equipment facility.

(a) ~~Any Credit.~~ – A corporation that constructs in North Carolina a facility for the ~~production of photovoltaic manufacture of renewable 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. ~~The credit allowed by this section may not exceed the amount of the tax imposed by this Part for the~~

1 taxable year reduced by the sum of all credits allowable, except payments of tax made by or on
2 behalf of the taxpayer.

3 (b) ~~As used in this section, "photovoltaic equipment" means those products~~
4 ~~designed, manufactured, and produced to convert sunlight directly into electricity.~~
5 Definitions. – The following definitions apply in this section:

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

13 (2) Renewable biomass resources. – Organic matter produced by terrestrial
14 and aquatic plants and animals, such as standing vegetation, aquatic
15 crops, forestry and agricultural residues, landfill wastes, and animal
16 wastes.

17 (3) Renewable energy equipment. – Biomass equipment, solar electric or
18 thermal equipment, and wind energy equipment.

19 (4) Solar electric or thermal equipment. – Products designed to convert
20 sunlight into electricity or heat.

21 (5) Wind energy equipment. – Products designed to capture and convert
22 wind energy into electricity or mechanical power.

23 (c) Carryforward. – The credit allowed by this section may not exceed the amount
24 of the tax imposed by this Part for the taxable year reduced by the sum of all credits
25 allowable, except payments of tax made by or on behalf of the taxpayer. Any unused
26 portion of the credit may be carried forward for the succeeding 10 years. ~~The amount of~~
27 credit allowed under this section may be carried over for the next succeeding five years.

28 (d) No Double Credit. – A taxpayer that claims any other credit allowed under this
29 Chapter with respect to construction of a facility for the manufacture of renewable energy
30 equipment may not take the credit allowed in this section with respect to the same
31 facility."

32 Section 2. G.S. 105-130.28, as amended by this act, is repealed effective for
33 costs incurred during taxable years beginning on or after January 1, 2002.

34 Section 3. This act does not affect the rights or liabilities of the State, a
35 taxpayer, or another person arising under the statute repealed by this act before the
36 effective date of its repeal, nor does it affect the right to any refund or credit of a tax that
37 accrued under the repealed statute before the effective date of its repeal.

38 Section 4. This act is effective for taxable years beginning on or after January
39 1, 2000.