

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE DRH30247-LC-98A (03/18)

Short Title: Voluntary Stormwater Expenses Credit. (Public)

Sponsors: Representative Gibson.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A REFUNDABLE TAX CREDIT FOR VOLUNTARY
EXPENSES TO REDUCE STORMWATER POLLUTION BEYOND EXPENSES
REQUIRED BY LAW.

The General Assembly of North Carolina enacts:

SECTION 1. The title of Article 3B of Chapter 105 of the General Statutes
reads as rewritten:

"Article 3B.

Business And ~~Energy~~ Environmental Tax Credits."

SECTION 2. G.S. 105-129.15 is amended by adding a new subdivision to
read:

"§ **105-129.15. Definitions.**

The following definitions apply in this Article:

...

(8) Stormwater permit. – A stormwater management permit issued by the
Environmental Management Commission pursuant to G.S.
143-215.1(a)(11) and G.S. 143-214.7."

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

"**§ 105-129.16D. Credit for voluntary stormwater control expenses.**

(a) Credit. – If a taxpayer that has constructed or purchased eligible stormwater
control property places it in service in this State during the taxable year, the taxpayer is
allowed a credit equal to twenty percent (20%) of the eligible cost of the property.

(b) Eligible Stormwater Control Property. – For the purpose of this section,
eligible stormwater control property is property that the taxpayer was not required to
place in service in order to achieve the standards required to receive a stormwater

1 permit but has the primary purpose of controlling stormwater runoff beyond the
2 standards required in order to receive a stormwater permit.

3 (c) Eligible Costs. – For the purpose of this section the eligible cost of eligible
4 stormwater control property is the portion of the cost that had the primary purpose of
5 controlling stormwater runoff beyond the standards required in order to receive a
6 stormwater permit.

7 (d) Certification. – In order to receive a credit under this section, the taxpayer
8 must provide the certification of the Department of Environment and Natural Resources
9 identifying the eligible property, verifying that the property meets each condition for
10 qualification as eligible stormwater control property, and itemizing the portion of the
11 cost that qualifies as eligible cost.

12 (e) Restrictions. – No credit is allowed under this section to the extent the cost
13 was paid with public funds. A taxpayer that claims any other credit allowed under this
14 Chapter with respect to eligible stormwater control property may not take the credit
15 allowed in this section with respect to the same property.

16 (f) Credit Refundable. – If the credit allowed by this section exceeds the amount
17 of tax against which it is claimed for the taxable year reduced by the sum of all credits
18 allowable, the Secretary must refund the excess to the taxpayer. The refundable excess
19 is governed by the provisions governing a refund of an overpayment of tax by the
20 taxpayer. In computing the amount of tax against which multiple credits are allowed,
21 nonrefundable credits are subtracted before refundable credits."

22 **SECTION 4.** G.S. 105-129.17(b) reads as rewritten:

23 "(b) Cap. – ~~The~~ Except as provided in G.S. 105-129.16D for voluntary stormwater
24 control expenses, the credits allowed in this Article may not exceed fifty percent (50%)
25 of the tax against which they are claimed for the taxable year, reduced by the sum of all
26 other credits allowed against that tax, except tax payments made by or on behalf of the
27 taxpayer. This limitation applies to the cumulative amount of credit, including
28 carryforwards, claimed by the taxpayer under this Article against each tax for the
29 taxable year. Any unused portion of the credits may be carried forward for the
30 succeeding five years."

31 **SECTION 5.** G.S. 105-129.19 reads as rewritten:

32 "**§ 105-129.19. Reports.**

33 The Department of Revenue must report to the Revenue Laws Study Committee and
34 to the Fiscal Research Division of the General Assembly by May 1 of each year the
35 following information for the 12-month period ending the preceding April 1:

- 36 (1) The number of taxpayers that claimed the credits allowed in this
37 Article.
- 38 (2) The cost of ~~business property and renewable energy~~ each type of
39 property with respect to which credits were claimed.
- 40 (2a) Repealed by Session Laws 2002-87, s. 6, effective August 22, 2002.
- 41 (3) The total cost to the General Fund of the credits claimed."

42 **SECTION 6.** This act becomes effective for taxable years beginning on or
43 after January 1, 2004.