

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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HOUSE BILL 445\*

Short Title: Income Tax Credit – Energy Efficient Homes. (Public)

Sponsors: Representatives Pate, Tolson (Primary Sponsors); Alexander, Cunningham, Glazier, Harrison, Insko, Luebke, Martin, McLawhorn, Underhill, Wainwright, Warren, and Weiss.

Referred to: Finance.

March 2, 2005

A BILL TO BE ENTITLED  
AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR BUILDERS AND  
PURCHASERS OF ENERGY-EFFICIENT HOMES.

The General Assembly of North Carolina enacts:

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

**"§ 105-130.47. Construction or improvement of energy-efficient home.**

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

(1) Energy-efficient home. – A one- or two-family home that is a federally qualified energy-efficient home or a State-certified energy-efficient home.

(2) Federally qualified energy-efficient home. – A residence qualified under the ENERGY STAR Program administered by the United States Environmental Protection Agency.

(3) State-certified energy-efficient home. – A residence certified under the NC HealthyBuilt Homes Program administered by the North Carolina Solar Center, the State Energy Office, and the North Carolina Department of Administration.

(b) Credit. – A taxpayer that builds or manufactures an energy-efficient home or that improves an existing structure so that it becomes an energy-efficient home is allowed a credit against the taxes imposed by this Part. In order to claim a credit under this section, the taxpayer must include with the tax return documentation that the property with respect to which a credit is claimed is an energy-efficient home. The amount of the credit is as follows:

(1) For a taxpayer that builds or manufactures a new federally qualified energy-efficient home, the credit is five hundred dollars (\$500.00).

- 1           (2)    For a taxpayer that improves an existing structure so that it becomes a  
2                   federally qualified energy-efficient home, the credit is equal to the cost  
3                   of improvements not to exceed one thousand dollars (\$1,000).
- 4           (3)    For a taxpayer that builds or manufactures a new State-certified  
5                   energy-efficient home, the credit is one thousand five hundred dollars  
6                   (\$1,500).
- 7           (4)    For a taxpayer that improves an existing structure so that it becomes a  
8                   State-certified energy-efficient home, the credit is equal to the cost of  
9                   improvements not to exceed two thousand dollars (\$2,000).

10       (c)    Cap. – The credit allowed under this section may not exceed the amount of  
11       tax imposed by this Part for the taxable year reduced by the sum of all credits allowable,  
12       except tax payments made by or on behalf of the taxpayer. Any unused portion of a  
13       credit under this section may be carried forward for the succeeding five years.

14       (d)    Sunset. – This section is repealed effective for taxable years beginning on or  
15       after January 1, 2010."

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

18       "**§ 105-151.29. Construction or improvement of energy-efficient home.**

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

- 20           (1)   Energy-efficient home. – A one- or two-family home that is a federally  
21                   qualified energy-efficient home or a State-certified energy-efficient  
22                   home.
- 23           (2)   Federally qualified energy-efficient home. – A residence qualified  
24                   under the ENERGY STAR Program administered by the United States  
25                   Environmental Protection Agency.
- 26           (3)   State-certified energy-efficient home. – A residence certified under the  
27                   NC HealthyBuilt Homes Program administered by the North Carolina  
28                   Solar Center, the State Energy Office, and the North Carolina  
29                   Department of Administration.

30       (b)    Credit. – A taxpayer that builds or manufactures an energy-efficient home or  
31       that improves an existing structure so that it becomes an energy-efficient home is  
32       allowed a credit against the taxes imposed by this Part. In order to claim a credit under  
33       this section, the taxpayer must include with the tax return documentation that the  
34       property with respect to which a credit is claimed is an energy-efficient home. The  
35       amount of the credit is as follows:

- 36           (1)   For a taxpayer that builds or manufactures a new federally qualified  
37                   energy-efficient home, the credit is five hundred dollars (\$500.00).
- 38           (2)   For a taxpayer that improves an existing structure so that it becomes a  
39                   federally qualified energy-efficient home, the credit is equal to the cost  
40                   of improvements not to exceed one thousand dollars (\$1,000).
- 41           (3)   For a taxpayer that builds or manufactures a new State-certified  
42                   energy-efficient home, the credit is one thousand five hundred dollars  
43                   (\$1,500).

1           (4) For a taxpayer that improves an existing structure so that it becomes a  
2           State-certified energy-efficient home, the credit is equal to the cost of  
3           improvements not to exceed two thousand dollars (\$2,000).

4           (c) Cap. – The credit allowed under this section may not exceed the amount of  
5           tax imposed by this Part for the taxable year reduced by the sum of all credits allowable,  
6           except tax payments made by or on behalf of the taxpayer. Any unused portion of a  
7           credit under this section may be carried forward for the succeeding five years.

8           (d) Sunset. – This section is repealed effective for taxable years beginning on or  
9           after January 1, 2010."

10           **SECTION 3.** Part 2 of Article 4 of Chapter 105 of the General Statutes is  
11 amended by adding a new section to read:

12 **"§ 105-151.30. Purchase of energy-efficient home.**

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

14           (1) Energy-efficient home. – A one- or two-family home that is a federally  
15           qualified energy-efficient home or a State-certified energy-efficient  
16           home.

17           (2) Federally qualified energy-efficient home. – A residence qualified  
18           under the ENERGY STAR Program administered by the United States  
19           Environmental Protection Agency.

20           (3) State-certified energy-efficient home. – A residence certified under the  
21           NC HealthyBuilt Homes Program administered by the North Carolina  
22           Solar Center, the State Energy Office, and the North Carolina  
23           Department of Administration.

24           (b) Credit. – A taxpayer that purchases an energy-efficient home is allowed a  
25           credit against the taxes imposed by this Part in the amount of five hundred dollars  
26           (\$500.00).

27           (c) Cap. – The credit allowed under this section may not exceed the amount of  
28           tax imposed by this Part for the taxable year reduced by the sum of all credits allowable,  
29           except tax payments made by or on behalf of the taxpayer. Any unused portion of a  
30           credit under this section may be carried forward for the succeeding five years.

31           (d) No Double Benefit. – A taxpayer that claims a credit under this section may  
32           not also claim a credit under G.S. 105-151.29 with respect to the same property.

33           (e) Sunset. – This section is repealed effective for taxable years beginning on or  
34           after January 1, 2010."

35           **SECTION 4.** This act is effective for taxable years beginning on or after  
36 January 1, 2006, and applies to homes that receive the qualification or certification on or  
37 after that date.