

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE DRS35038-LY-108A* (2/15)

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

Sponsors: Senators Horton, and Kinnaird.

Referred to:

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

4 The General Assembly of North Carolina enacts:

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

7 "**§ 105-130.47. Construction or improvement of energy-efficient home.**

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

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

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

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

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

25 (1) For a taxpayer that builds or manufactures a new federally qualified
26 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.