

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

S

1

SENATE BILL 190*

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

Sponsors: Senators Horton, Kinnaird; and Brock.

Referred to: Finance.

February 23, 2005

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).

27 (2) For a taxpayer that improves an existing structure so that it becomes a
28 federally qualified energy-efficient home, the credit is equal to the cost
29 of improvements not to exceed one thousand dollars (\$1,000).

1 (3) For a taxpayer that builds or manufactures a new State-certified
2 energy-efficient home, the credit is one thousand five hundred dollars
3 (\$1,500).

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

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

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 – This section is repealed effective for taxable years beginning on or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

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

15 "**§ 105-151.29. Construction or improvement of energy-efficient home.**

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

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

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

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

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

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

35 (2) For a taxpayer that improves an existing structure so that it becomes a
36 federally qualified energy-efficient home, the credit is equal to the cost
37 of improvements not to exceed one thousand dollars (\$1,000).

38 (3) For a taxpayer that builds or manufactures a new State-certified
39 energy-efficient home, the credit is one thousand five hundred dollars
40 (\$1,500).

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

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

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

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

9 **"§ 105-151.30. Purchase of energy-efficient home.**

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

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

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

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

21 (b) Credit. – A taxpayer that purchases an energy-efficient home is allowed a
22 credit against the taxes imposed by this Part in the amount of five hundred dollars
23 (\$500.00).

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

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

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

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