

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE DRH30316-ME-69 (04/06)

Short Title: Tax Credit for Innovative Stormwater Controls.

(Public)

Sponsors: Representative Allred.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE A TAX CREDIT FOR THE INSTALLATION OF INNOVATIVE  
3 STORMWATER MANAGEMENT SYSTEMS.

4 The General Assembly of North Carolina enacts:

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

7 "**§ 105-130.49. Credit for low impact development stormwater controls.**

8 (a) Credit. – A taxpayer that constructs a low impact development stormwater control  
9 system is allowed a credit against the tax imposed by this Part an amount equal to twenty-five  
10 percent (25%) of the costs paid during the taxable year to purchase and install the system. The  
11 credit allowed by this section may not exceed the amount of tax imposed by this Part for the  
12 taxable year reduced by the sum of all credits allowable, except payments of tax by or on behalf  
13 of the taxpayer. The credit allowed by this section does not apply to costs paid with funds  
14 provided the taxpayer by a State or federal agency.

15 (b) Definitions. – The definitions found in G.S. 105-151.33 apply in this section.

16 (c) Sunset. – This section is repealed effective for taxable years beginning on or after  
17 January 1, 2014."

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

20 "**§ 105-151.33. Credit for low impact development stormwater controls.**

21 (a) Credit. – A taxpayer that constructs a low impact development stormwater control  
22 system is allowed a credit against the tax imposed by this Part an amount equal to twenty-five  
23 percent (25%) of the costs paid during the taxable year to purchase and install the system. The  
24 credit allowed by this section may not exceed the amount of tax imposed by this Part for the  
25 taxable year reduced by the sum of all credits allowable, except payments of tax by or on behalf  
26 of the taxpayer. The credit allowed by this section does not apply to costs paid with funds  
27 provided the taxpayer by a State or federal agency.

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

29 (1) Bioretention basin. – A shallow, topographic depression filled with  
30 engineered soils and vegetation that retain, treat, and infiltrate water.

31 (2) Cistern. – A storage tank that is watertight, has smooth interior surfaces and  
32 enclosed lids, and is fabricated for nonreactive materials such as reinforced  
33 concrete, galvanized steel, or plastic, and that is designed to collect rainfall  
34 from a catchment area such as a roof.



- 1           (3)    Dry well. – An excavated pit filled with aggregate stone to hold water until it  
2           can infiltrate into the ground.
- 3           (4)    Engineered soil. – Compost and mineral aggregates mixed in specific  
4           quantities to improve plant vigor, stormwater infiltration, water  
5           conservation, and pollution control.
- 6           (5)    Exfiltration trench. – An infiltration trench with an underdrain system built  
7           into the bottom of the trench and which conveys water to a local stormwater  
8           drain system after soil media and pollutants have been removed.
- 9           (6)    Filter strip. – A low-grade vegetated area that permits sediment deposition  
10          during sheetflow.
- 11          (7)    Grassed swale. – A graded and engineered landscape feature planted with  
12          flood tolerant, erosion resistant plants and which appears as a linear,  
13          shallow, open channel with trapezoidal or parabolic shape. A grassed swale  
14          promotes the conveyance of stormwater at a slower, controlled rate and acts  
15          as a filter medium removing pollutants and allowing stormwater infiltration.
- 16          (8)    Infiltration trench. – An excavated trench backfilled with an aggregate  
17          material to permit the filtration and percolation of water into subsoils.
- 18          (9)    Infiltration drainfield. – A system that allows stormwater to slowly seep into  
19          the ground after filtering the stormwater through the use of a pretreatment  
20          structure, a perforated manifold-type arrangement of drain lines, and a  
21          permeable drainfield that consists of layers of topsoil, aggregate stone, sand,  
22          and filter fabric.
- 23          (10)   Level spreader. – An excavated depression constructed at zero percent grade  
24          across a slope that converts concentrated runoff into sheetflow, slowing the  
25          erosive velocities of stormwater and spreading the stormwater over a wide  
26          area to reduce erosion.
- 27          (11)   Low impact development stormwater control system. – A system designed  
28          to reduce or filter stormwater runoff by using (i) infiltration systems such as  
29          infiltration trenches, infiltration drainfields, dry wells, bioretention basins,  
30          and level spreaders, (ii) filtering systems such as filter strips, exfiltration  
31          trenches, and wetlands, (iii) alternate conveyance systems such as vegetated  
32          channels and grassed swales, and (iv) rainwater catchment systems such as  
33          rain barrels and cisterns.
- 34          (12)   Rain barrel. – A cistern without an enclosed lid that is placed below a  
35          downspout to collect rainfall.
- 36          (13)   Sheetflow. – A stormwater runoff condition where the flow is shallow and  
37          relatively uniform.
- 38          (14)   Stormwater. – The flow of water that results from precipitation and which  
39          occurs immediately following rainfall or as a result of snowmelt.
- 40          (15)   Vegetated channel. – A vegetated earthen construction that conveys water  
41          while reducing stormwater velocities and removing sediment.
- 42          (c)    Sunset. – This section is repealed effective for taxable years beginning on or after  
43          January 1, 2014."

44           **SECTION 3.** This act is effective for taxes imposed for taxable years beginning on  
45          or after January 1, 2009.