HOUSE BILL 1567

Short Title:	Tax Credit for Innovative Stormwater Controls.	(Public)
Sponsors:	Representative Allred.	
Referred to:	Water Resources and Infrastructure, if favorable, Finance.	

April 30, 2009

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A TAX CREDIT FOR THE INSTALLATION OF INNOVATIVE STORMWATER MANAGEMENT SYSTEMS.

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:

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

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

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

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 – This section is repealed effective for taxable years beginning on or after January 1, 2014."

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

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

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

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

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

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

(3) Dry well. – An excavated pit filled with aggregate stone to hold water until it can infiltrate into the ground.

(4) Engineered soil. – Compost and mineral aggregates mixed in specific quantities to improve plant vigor, stormwater infiltration, water conservation, and pollution control.

(5) Exfiltration trench. – An infiltration trench with an underdrain system built into the bottom of the trench and which conveys water to a local stormwater drain system after soil media and pollutants have been removed.

(6) Filter strip. – A low-grade vegetated area that permits sediment deposition during sheetflow.

(7) Grassed swale. – A graded and engineered landscape feature planted with flood tolerant, erosion resistant plants and which appears as a linear, shallow, open channel with trapezoidal or parabolic shape. A grassed swale promotes the conveyance of stormwater at a slower, controlled rate and acts as a filter medium removing pollutants and allowing stormwater infiltration.

(8) Infiltration trench. – An excavated trench backfilled with an aggregate material to permit the filtration and percolation of water into subsoils.

(9) Infiltration drainfield. – A system that allows stormwater to slowly seep into the ground after filtering the stormwater through the use of a pretreatment structure, a perforated manifold-type arrangement of drain lines, and a permeable drainfield that consists of layers of topsoil, aggregate stone, sand, and filter fabric.

(10) Level spreader. – An excavated depression constructed at zero percent grade across a slope that converts concentrated runoff into sheetflow, slowing the erosive velocities of stormwater and spreading the stormwater over a wide area to reduce erosion.

(11) Low impact development stormwater control system. – A system designed to reduce or filter stormwater runoff by using (i) infiltration systems such as infiltration trenches, infiltration drainfields, dry wells, bioretention basins, and level spreaders, (ii) filtering systems such as filter strips, exfiltration trenches, and wetlands, (iii) alternate conveyance systems such as vegetated channels and grassed swales, and (iv) rainwater catchment systems such as rain barrels and cisterns.

(12) Rain barrel. – A cistern without an enclosed lid that is placed below a downspout to collect rainfall.

(13) Sheetflow. – A stormwater runoff condition where the flow is shallow and relatively uniform.

(14) Stormwater. – The flow of water that results from precipitation and which occurs immediately following rainfall or as a result of snowmelt.

(15) Vegetated channel. – A vegetated earthen construction that conveys water while reducing stormwater velocities and removing sediment.

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

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