

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE BILL 388  
Finance Committee Substitute Adopted 5/12/09  
House Committee Substitute Favorable 5/26/10

Short Title: Modify Renewable Energy Property Credit.

(Public)

Sponsors:

Referred to:

March 4, 2009

1 A BILL TO BE ENTITLED  
2 AN ACT TO REMOVE CERTAIN GRANTS MADE UNDER THE AMERICAN  
3 RECOVERY AND REINVESTMENT TAX ACT FROM THE DEFINITION OF PUBLIC  
4 FUNDS FOR WHICH A CREDIT FOR INVESTING IN RENEWABLE ENERGY  
5 PROPERTY IS NOT AVAILABLE.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 105-129.16A reads as rewritten:

8 "**§ 105-129.16A. (Repealed January 1, 2016) Credit for investing in renewable energy**  
9 **property.**

10 (a) Credit. – If a taxpayer that has constructed, purchased, or leased renewable energy  
11 property places it in service in this State during the taxable year, the taxpayer is allowed a  
12 credit equal to thirty-five percent (35%) of the cost of the property. In the case of renewable  
13 energy property that serves a single-family dwelling, the credit must be taken for the taxable  
14 year in which the property is placed in service. For all other renewable energy property, the  
15 entire credit may not be taken for the taxable year in which the property is placed in service but  
16 must be taken in five equal installments beginning with the taxable year in which the property  
17 is placed in service. No credit is allowed under this section to the extent the cost of the  
18 renewable energy property was provided by public funds. For the purposes of this section,  
19 'public funds' does not include grants made under section 1603 of the American Recovery and  
20 Reinvestment Tax Act of 2009.

21 (b) Expiration. – If, in one of the years in which the installment of a credit accrues, the  
22 renewable energy property with respect to which the credit was claimed is disposed of, taken  
23 out of service, or moved out of State, the credit expires and the taxpayer may not take any  
24 remaining installment of the credit. The taxpayer may, however, take the portion of an  
25 installment that accrued in a previous year and was carried forward to the extent permitted  
26 under G.S. 105-129.17. ~~No credit is allowed under this section to the extent the cost of the~~  
27 ~~renewable energy property was provided by public funds.~~

28 (c) Ceilings. – The credit allowed by this section may not exceed the applicable ceilings  
29 provided in this subsection.

- 30 (1) Nonresidential Property. – A ceiling of two million five hundred thousand  
31 dollars (\$2,500,000) per installation applies to renewable energy property  
32 placed in service for any purpose other than residential.
- 33 (2) Residential Property. – The following ceilings apply to renewable energy  
34 property placed in service for residential purposes:



- 1                   a.       One thousand four hundred dollars (\$1,400) per dwelling unit for  
2                   solar energy equipment for domestic water heating, including pool  
3                   heating.  
4                   b.       Three thousand five hundred dollars (\$3,500) per dwelling unit for  
5                   solar energy equipment for active space heating, combined active  
6                   space and domestic hot water systems, and passive space heating.  
7                   c.       Ten thousand five hundred dollars (\$10,500) per installation for any  
8                   other renewable energy property for residential purposes.  
9                   d.       Eight thousand four hundred dollars (\$8,400) per installation for a  
10                  geothermal heat pump or geothermal equipment.

11           (d)    No Double Credit. – A taxpayer that claims any other credit allowed under this  
12 Chapter with respect to renewable energy property may not take the credit allowed in this  
13 section with respect to the same property. A taxpayer may not take the credit allowed in this  
14 section for renewable energy property the taxpayer leases from another unless the taxpayer  
15 obtains the lessor's written certification that the lessor will not claim a credit under this Chapter  
16 with respect to the property.

17           (e)    Sunset. – This section is repealed effective for renewable energy property placed  
18 into service on or after January 1, 2016."

19                   **SECTION 2.** This act becomes effective January 1, 2009, and applies to renewable  
20 energy property placed into service on or after that date.