

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

SESSION LAW 2010-4
SENATE BILL 388

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

The General Assembly of North Carolina enacts:

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

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 (Repealed January 1, 2016) **Credit for investing in renewable energy property.**

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

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

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

- (1) Nonresidential Property. – A ceiling of two million five hundred thousand dollars (\$2,500,000) per installation applies to renewable energy property placed in service for any purpose other than residential.
- (2) Residential Property. – The following ceilings apply to renewable energy property placed in service for residential purposes:
 - a. One thousand four hundred dollars (\$1,400) per dwelling unit for solar energy equipment for domestic water heating, including pool heating.
 - b. Three thousand five hundred dollars (\$3,500) per dwelling unit for solar energy equipment for active space heating, combined active space and domestic hot water systems, and passive space heating.



- c. Ten thousand five hundred dollars (\$10,500) per installation for any other renewable energy property for residential purposes.
- d. Eight thousand four hundred dollars (\$8,400) per installation for a geothermal heat pump or geothermal equipment.

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

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

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

In the General Assembly read three times and ratified this the 3rd day of June, 2010.

s/ Walter H. Dalton
President of the Senate

s/ Joe Hackney
Speaker of the House of Representatives

s/ Beverly E. Perdue
Governor

Approved 4:43 p.m. this 7th day of June, 2010