

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

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HOUSE BILL 1111

Short Title: Voluntary Stormwater Expenses Credit. (Public)

Sponsors: Representative Gibson.

Referred to: Finance.

April 10, 2003

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE A REFUNDABLE TAX CREDIT FOR VOLUNTARY  
3 EXPENSES TO REDUCE STORMWATER POLLUTION BEYOND EXPENSES  
4 REQUIRED BY LAW.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** The title of Article 3B of Chapter 105 of the General Statutes  
7 reads as rewritten:

8 "Article 3B.

9 Business And ~~Energy~~ Environmental Tax Credits."

10 **SECTION 2.** G.S. 105-129.15 is amended by adding a new subdivision to  
11 read:

12 "**§ 105-129.15. Definitions.**

13 The following definitions apply in this Article:

14 ...

15 (8) Stormwater permit. – A stormwater management permit issued by the  
16 Environmental Management Commission pursuant to G.S.  
17 143-215.1(a)(11) and G.S. 143-214.7."

18 **SECTION 3.** Article 3B of Chapter 105 of the General Statutes is amended  
19 by adding a new section to read:

20 "**§ 105-129.16D. Credit for voluntary stormwater control expenses.**

21 (a) Credit. – If a taxpayer that has constructed or purchased eligible stormwater  
22 control property places it in service in this State during the taxable year, the taxpayer is  
23 allowed a credit equal to twenty percent (20%) of the eligible cost of the property.

24 (b) Eligible Stormwater Control Property. – For the purpose of this section,  
25 eligible stormwater control property is property that the taxpayer was not required to  
26 place in service in order to achieve the standards required to receive a stormwater  
27 permit but has the primary purpose of controlling stormwater runoff beyond the  
28 standards required in order to receive a stormwater permit.

1       (c) Eligible Costs. – For the purpose of this section the eligible cost of eligible  
2 stormwater control property is the portion of the cost that had the primary purpose of  
3 controlling stormwater runoff beyond the standards required in order to receive a  
4 stormwater permit.

5       (d) Certification. – In order to receive a credit under this section, the taxpayer  
6 must provide the certification of the Department of Environment and Natural Resources  
7 identifying the eligible property, verifying that the property meets each condition for  
8 qualification as eligible stormwater control property, and itemizing the portion of the  
9 cost that qualifies as eligible cost.

10       (e) Restrictions. – No credit is allowed under this section to the extent the cost  
11 was paid with public funds. A taxpayer that claims any other credit allowed under this  
12 Chapter with respect to eligible stormwater control property may not take the credit  
13 allowed in this section with respect to the same property.

14       (f) Credit Refundable. – If the credit allowed by this section exceeds the amount  
15 of tax against which it is claimed for the taxable year reduced by the sum of all credits  
16 allowable, the Secretary must refund the excess to the taxpayer. The refundable excess  
17 is governed by the provisions governing a refund of an overpayment of tax by the  
18 taxpayer. In computing the amount of tax against which multiple credits are allowed,  
19 nonrefundable credits are subtracted before refundable credits."

20       **SECTION 4.** G.S. 105-129.17(b) reads as rewritten:

21       "(b) ~~Cap.~~ – ~~The~~ Except as provided in G.S. 105-129.16D for voluntary stormwater  
22 control expenses, the credits allowed in this Article may not exceed fifty percent (50%)  
23 of the tax against which they are claimed for the taxable year, reduced by the sum of all  
24 other credits allowed against that tax, except tax payments made by or on behalf of the  
25 taxpayer. This limitation applies to the cumulative amount of credit, including  
26 carryforwards, claimed by the taxpayer under this Article against each tax for the  
27 taxable year. Any unused portion of the credits may be carried forward for the  
28 succeeding five years."

29       **SECTION 5.** G.S. 105-129.19 reads as rewritten:

30       "**§ 105-129.19. Reports.**

31       The Department of Revenue must report to the Revenue Laws Study Committee and  
32 to the Fiscal Research Division of the General Assembly by May 1 of each year the  
33 following information for the 12-month period ending the preceding April 1:

- 34       (1) The number of taxpayers that claimed the credits allowed in this  
35 Article.  
36       (2) The cost of ~~business property and renewable energy~~ each type of  
37 property with respect to which credits were claimed.  
38       (2a) Repealed by Session Laws 2002-87, s. 6, effective August 22, 2002.  
39       (3) The total cost to the General Fund of the credits claimed."

40       **SECTION 6.** This act becomes effective for taxable years beginning on or  
41 after January 1, 2004.