

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH30343-LY-180 (3/13)

Short Title: Renewable Fuel Tax Credit Amendments.

(Public)

Sponsors: Representative Tolson.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE TAX CREDIT FOR CONSTRUCTING RENEWABLE
FUEL FACILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-129.16D(b1) reads as rewritten:

"(b1) Alternative Production Credit. – In lieu of the credit allowed under subsection (b) of this section, a taxpayer that constructs and places in service in this State three or more commercial facilities for processing renewable fuel and that invests a total amount of at least four hundred million dollars (\$400,000,000) in the facilities is allowed a credit equal to thirty-five percent (35%) of the cost to the taxpayer of constructing and equipping the facilities. In order to claim the credit, the taxpayer must obtain a written determination from the Secretary of Commerce that the taxpayer is expected to invest within a five-year period a total amount of at least four hundred million dollars (\$400,000,000) in three or more facilities. The credit must be taken in seven equal annual installments beginning with the taxable year in which the first facility is placed in service. If, in one of the years in which the installment of credit accrues, a facility with respect to which the credit was claimed is disposed of or taken out of service and the investment requirements of this subsection are no longer satisfied, 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. ~~If a credit allowed under this subsection expires, a taxpayer is not eligible for a credit under subsection (b) of this section with respect to the same property.~~ Notwithstanding the provisions of G.S. 105-129.17, a taxpayer may claim the credit allowed under this subsection against the income tax imposed under Article 4 of this Chapter only the credit allowed under this subsection may not exceed one hundred percent (100%) of the tax against which it

1 is claimed, and the taxpayer may carry forward unused portions of the credit allowed
2 under this subsection for the succeeding 10 years."

3 **SECTION 2.** This act is effective for taxable years beginning on or after
4 January 1, 2007.