

February 24, 2009

**S 305. INCENTIVES FOR ENERGY CONSERVATION.** Filed 2/24/09. *TO CREATE INCENTIVES FOR HIGH-PERFORMANCE HOMES AND RENEWABLE ENERGY, TO REQUIRE REPORTING ON ENERGY USAGE BY PUBLIC SCHOOLS AND STATE INSTITUTIONS OF HIGHER LEARNING, AND TO ADD THE DESIGN PRINCIPLES OF THE NC HEALTHYBUILT HOMES PROGRAM TO THE CERTIFICATION OR RATING SYSTEMS THAT MAY QUALIFY FOR BUILDING PERMIT FEE REDUCTIONS OR PARTIAL REBATES ALLOWED BY COUNTIES AND CITIES IN ORDER TO ENCOURAGE CONSTRUCTION OF BUILDINGS USING SUSTAINABLE DESIGN TO ACHIEVE ENERGY EFFICIENCY.*

Effective for taxable years beginning on or after January 1, 2009, enacts new GS 105-130.49 (related to corporate income tax) and new GS 105-151.33 (related to individual income tax) to allow a credit for a taxpayer that builds or manufactures a high performance home as follows: (1) \$1,000 for a taxpayer that builds or manufactures a new federally qualified high-performance home or (2) \$3,000 for a taxpayer that builds or manufactures a new state-certified high-performance home. Requires that the taxpayer claim only one of the credits for a single home. Allows a credit, equal to the credit a nonprofit organization would be allowed if the nonprofit was subject to tax, for a taxpayer that purchases a high-performance home built or manufactured by a nonprofit organization organized under section 501(c)(3) of the Code. Limits the credit allowed to the amount of tax imposed for the taxable year reduced by the sum of all credits allowable, except tax payments made by or on behalf of the taxpayer. Provides that any unused portion of a credit may be carried forward for the succeeding five years. Creates definitions for *high-performance home*, *federally qualified high-performance home*, and *state-certified high-performance home*. Creates a sunset date for taxable years beginning on or after January 1, 2012.

Amends GS 105-129.15 (Business and Energy Tax Credits) to expand the definition of *renewable energy property* to include (1) geothermal equipment that uses the internal heat of the earth as a substitute for traditional energy for water heating or active space heating and cooling and (2) fuel cell equipment that uses an electrochemical process to convert renewable-energy-generated hydrogen to electricity. Amends GS 105-129.16A to extend the expiration date for the credit allowed for investing in renewable energy property to January 1, 2016 (was, January 1, 2011). Also clarifies that the \$2.5 million ceiling per installation for nonresidential property applies to renewable energy property placed in service *by a business entity in furtherance of a commercial enterprise*. Reenacts GS 105-130.28 (Credit against corporate income tax for construction of a renewable energy equipment facility) and replaces the definition section with a reference to the definitions set out in GS 105-129.15. Also makes technical and conforming changes. Effective for taxable years beginning on or after January 1, 2009.

Effective for reports required on or after August 1, 2009, requires that each local administrative unit for each public school and each state institute of higher learning (was, community college) submit an annual written report of utility consumption and costs to the State Energy Office.

Amends GS 153A-340(i) and GS 160A-381(f) to add the NC HealthyBuilt Homes certification, as verified by the North Carolina Solar Center at NC State University, to the list of certifications available, which allow a county or city, respectively, to charge reduced building permit fees or provide partial rebates for buildings that are constructed or renovated when conforming with or exceeding at least one of the specified certifications or ratings.

**Intro. by Clodfelter.**

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