

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1597

Short Title: Income Tax Credit for Fuel-Efficient Vehs. (Public)

Sponsors: Representatives K. Alexander, Mackey (Primary Sponsors); Cotham, Harrison, and Jones.

Referred to: Energy and Energy Efficiency, if favorable, Finance.

May 6, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR THE PURCHASE PRICE OF
3 FUEL-EFFICIENT VEHICLES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Part 1 of Article 4 of Chapter 105 of the General Statutes is amended
6 by adding a new section to read:

7 "**§ 105-130.49. Credit for fuel-efficient motor vehicles.**

8 (a) Credit. – Any corporation that purchases a qualifying motor vehicle shall be allowed
9 as a credit against the tax imposed by this Part an amount equal to six percent (6%) of the
10 purchase price of the vehicle. The credit may be claimed only by the first purchaser of the
11 motor vehicle and may not be claimed by a corporation that purchases the motor vehicle for
12 resale or for use outside this State. The credit shall be taken in three equal installments,
13 beginning in the taxable year in which the motor vehicle is purchased and in the two years
14 following. The credit may not exceed the amount of tax imposed by this Part for the taxable
15 year reduced by the sum of all credits allowable, except tax payments made by or on behalf of
16 the taxpayer. The basis in any motor vehicle for which a credit is allowed under this section
17 shall be reduced by the amount of the credit allowable.

18 (b) Definition. – As used in this section, a qualifying motor vehicle is a motor vehicle
19 with a United States Environmental Protection Agency estimated highway gasoline mileage
20 rating of at least 50 miles per gallon."

21 **SECTION 2.** Part 2 of Article 4 of Chapter 105 of the General Statutes is amended
22 by adding a new section to read:

23 "**§ 105-151.33. Credit for fuel-efficient motor vehicles.**

24 (a) Credit. – A taxpayer who purchases a qualifying motor vehicle shall be allowed as a
25 credit against the tax imposed by this Part an amount equal to six percent (6%) of the purchase
26 price of the vehicle. The credit may be claimed only by the first purchaser of the motor vehicle
27 and may not be claimed by a person who purchases the motor vehicle for resale or for use
28 outside this State. The credit shall be taken in three equal installments, beginning in the taxable
29 year in which the motor vehicle is purchased and in the two years following. The credit may
30 not exceed the amount of tax imposed by this Part for the taxable year reduced by the sum of
31 all credits allowable, except tax payments made by or on behalf of the taxpayer. The basis in
32 any motor vehicle for which a credit is allowed under this section shall be reduced by the
33 amount of the credit allowable.

34 (b) Definition. – As used in this section, a qualifying motor vehicle is a motor vehicle
35 with a United States Environmental Protection Agency estimated highway gasoline mileage
36 rating of at least 50 miles per gallon.



1 (c) Co-ownership. – In the case of a motor vehicle titled jointly to a husband and wife,
2 if both spouses are required to file North Carolina income tax returns, the credit allowed by this
3 section may be claimed only if the spouses file a joint return. If only one spouse is required to
4 file a North Carolina income tax return, that spouse may claim the credit allowed by this
5 section on a separate return."

6 **SECTION 3.** This act is effective for taxable years beginning on or after January 1,
7 2009.