

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 1424

Short Title: Institute Tax Credit for Clean Energy Mfg. (Public)

Sponsors: Senators Stein; Atwater, Graham, Kinnaird, and Stevens.

Referred to: Finance.

May 26, 2010

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE A TAX CREDIT FOR CONSTRUCTING FACILITIES
3 MANUFACTURING GREEN ENERGY PROPERTY.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-129.15 reads as rewritten:

6 "§ 105-129.15. Definitions.

7 The following definitions apply in this Article:

8 ...

9 (1a) Combined heat and power system property. – Defined in section 48 of the
10 Code.

11 ...

12 (4b) Property component. – Any part, assembly of parts, material, or supply that
13 may be incorporated into renewable energy property or combined heat and
14 power system property.

15"

16 SECTION 2. Article 3B of Chapter 105 of the General Statutes is amended by
17 adding a new section to read:

18 "§ 105-129.16J. Credit for constructing, expanding, or retooling a facility that
19 manufactures property components, renewable energy property, or combined
20 heat and power system property.

21 (a) Credit. – A taxpayer that constructs, installs, and places in service or that expands or
22 retools already in service in this State a facility for manufacturing property components,
23 renewable energy property, or combined heat and power system property is allowed a credit
24 equal to twenty-five percent (25%) of the costs to the taxpayer of constructing and installing,
25 expanding, or retooling the facility paid during the taxable year. A facility for manufacturing
26 property components is qualified under this section only if at least seventy-five percent (75%)
27 of the property components manufactured by the facility are incorporated into renewable
28 energy property or combined heat and power system property or both.

29 The entire credit may not be taken for the taxable year in which the costs are paid but must
30 be taken in five equal installments beginning with the taxable year in which the costs are paid.
31 If, in one of the years in which the installment of a credit accrues, the facility with respect to
32 which the credit was claimed is disposed of or taken out of service, the credit expires and the
33 taxpayer may not take any remaining installment of the credit. The taxpayer may, however,
34 take the portion of an installment that accrued in a previous year and was carried forward to the
35 extent permitted under G.S. 105-129.17.



1 (b) No Double Benefit. – A taxpayer that claims any other credit allowed under this
2 Chapter with respect to the costs of constructing and installing, expanding, or retooling a
3 facility may not take the credit allowed in this section with respect to the same costs.

4 (c) Sunset. – This section is repealed effective for facilities placed in service on or after
5 January 1, 2017."

6 **SECTION 3.** This act is effective for taxable years beginning on or after January 1,
7 2010.