

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1263

Short Title: Renewable Fuel Tax Credit Amendments. (Public)

Sponsors: Representatives Tolson; E. Warren and Wray.

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

April 2, 2007

A BILL TO BE ENTITLED

1 AN ACT TO MODIFY THE TAX CREDIT FOR CONSTRUCTING RENEWABLE
2 FUEL FACILITIES.
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4 The General Assembly of North Carolina enacts:

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

6 "(b1) Alternative Production Credit. – In lieu of the credit allowed under subsection
7 (b) of this section, a taxpayer that constructs and places in service in this State three or
8 more commercial facilities for processing renewable fuel and that invests a total amount
9 of at least four hundred million dollars (\$400,000,000) in the facilities is allowed a
10 credit equal to thirty-five percent (35%) of the cost to the taxpayer of constructing and
11 equipping the facilities. In order to claim the credit, the taxpayer must obtain a written
12 determination from the Secretary of Commerce that the taxpayer is expected to invest
13 within a five-year period a total amount of at least four hundred million dollars
14 (\$400,000,000) in three or more facilities. The credit must be taken in seven equal
15 annual installments beginning with the taxable year in which the first facility is placed
16 in service. If, in one of the years in which the installment of credit accrues, a facility
17 with respect to which the credit was claimed is disposed of or taken out of service and
18 the investment requirements of this subsection are no longer satisfied, the credit expires
19 and the taxpayer may not take any remaining installment of the credit. The taxpayer
20 may, however, take the portion of an installment that accrued in a previous year and was
21 carried forward to the extent permitted under G.S. 105-129.17. ~~If a credit allowed under~~
22 ~~this subsection expires, a taxpayer is not eligible for a credit under subsection (b) of this~~
23 ~~section with respect to the same property.~~ Notwithstanding the provisions of
24 G.S. 105-129.17, a taxpayer may claim the credit allowed under this subsection against
25 the income tax imposed under Article 4 of this Chapter only the credit allowed under
26 this subsection may not exceed one hundred percent (100%) of the tax against which it
27 is claimed, and the taxpayer may carry forward unused portions of the credit allowed
28 under this subsection for the succeeding 10 years."

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