

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE BILL 447

Short Title: Energy Investment Act. (Public)

Sponsors: Senators B. Jackson, Hartsell, Tarte (Primary Sponsors); Barringer, Bingham, Blue, Bryant, Clark, Daniel, D. Davis, J. Davis, Ford, Foushee, Hise, J. Jackson, McInnis, McKissick, Pate, Rabin, Rabon, Robinson, Smith-Ingram, Stein, Van Duyn, Waddell, and Woodard.

Referred to: Rules and Operations of the Senate.

March 26, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE ENERGY INVESTMENT ACT.

3 Whereas, the General Assembly finds that a balanced and diverse energy portfolio is
4 in the best interest of North Carolina citizens and ratepayers; and

5 Whereas, renewable energy development has generated over two billion six hundred
6 million dollars (\$2,600,000,000) in private investment across North Carolina, the majority of
7 which was in development tier one and two areas; and

8 Whereas, North Carolina has a strong and growing renewable energy workforce;
9 Now, therefore,

10 The General Assembly of North Carolina enacts:

11 **SECTION 1.** G.S. 105-129.16A reads as rewritten:

12 **"§ 105-129.16A. Credit for investing in renewable energy property.**

13 (a) Credit. – If a taxpayer that has constructed, purchased, or leased renewable energy
14 property places it in service in this State during the taxable year, the taxpayer is allowed a
15 credit equal to thirty-five percent (35%) of the cost of the property. In the case of renewable
16 energy property that serves a nonbusiness purpose, the credit must be taken for the taxable year
17 in which the property is placed in service. For all other renewable energy property, the entire
18 credit may not be taken for the taxable year in which the property is placed in service but must
19 be taken in five equal installments beginning with the taxable year in which the property is
20 placed in service. Upon request of a taxpayer that leases renewable energy property, the lessor
21 of the property must give the taxpayer a statement that describes the renewable energy property
22 and states the cost of the property. No credit is allowed under this section to the extent the cost
23 of the renewable energy property was provided by public funds. For the purposes of this
24 section, "public funds" does not include grants made under section 1603 of the American
25 Recovery and Reinvestment Tax Act of 2009.

26 ...

27 (e) Sunset. – This section is repealed effective for renewable energy property placed
28 into service on or after January 1, ~~2016~~ 2021."

29 **SECTION 2.** G.S. 105-129.15 reads as rewritten:

30 **"§ 105-129.15. Definitions.**

31 The following definitions apply in this Article:

32 ...



1 (7) Renewable energy property. – Any of the following machinery and
2 equipment or real property:

3 ...

4 e. Solar energy equipment that uses solar radiation as a substitute for
5 traditional energy (i) for water heating, active space heating and
6 cooling, passive heating, daylighting, ~~generating electricity,~~
7 distillation, desalination, detoxification, or the production of
8 industrial or commercial process ~~heat~~ heat or (ii) for generating
9 electricity if all the equipment in the system has an aggregate
10 generation capacity of less than one megawatt. The term also
11 includes related devices necessary for collecting, storing,
12 exchanging, conditioning, or converting solar energy to other useful
13 forms of energy.

14 f. Wind equipment required to capture and convert wind energy into
15 electricity or mechanical power, and related devices for converting,
16 conditioning, and storing the electricity produced or relaying the
17 electricity by cable from the turbine motor to the power grid.

18 (8) Renewable fuel. – Either of the following:

19 a. Biodiesel, as defined in G.S. 105-449.60.

20 b. Ethanol either unmixed or in mixtures with gasoline that are seventy
21 percent (70%) or more ethanol by volume."

22 **SECTION 3.** Section 2 of this act is effective for property placed in service for
23 taxable years beginning on or after January 1, 2018. The remainder of this act is effective when
24 it becomes law.