

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

H

1

HOUSE BILL 1689

Short Title: Tax Credit for Smoke Ventilation Systems. (Public)

Sponsors: Representatives Brown, Current (Primary Sponsors); Blackwood, Blust, Boylan, Brisson, Carney, Clary, Cleveland, Coates, Coleman, England, Frye, Gibson, Goodwin, Gulley, T. Harrell, Hurley, Insko, Jones, Justus, Kiser, Langdon, Lewis, McAllister, McElraft, McGee, Moore, Rapp, Spear, Stam, Steen, Tillis, Tucker, Walend, Wiley, Wilkins, Womble, Wray, and Yongue.

Referred to: Finance.

April 19, 2007

A BILL TO BE ENTITLED

AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR THE INSTALLATION OF VENTILATION EQUIPMENT TO REMOVE SECONDHAND SMOKE.

The General Assembly of North Carolina enacts:

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

"§ 105-130.49. Credit for ventilation equipment to remove secondhand smoke.

(a) Definition. – For the purpose of this section, the term 'qualified ventilation system' means a ventilation system that satisfies at least one of the following conditions:

(1) It is an electrically powered, hospital grade, HEPA media filter that cleans all of the air of the public areas of the establishment by removing not less than ninety-five percent (95%) of gases, vapors, volatile organic compounds, and three-tenths micron particulates every 15 minutes.

(2) It is a high-ventilation air-conditioning system designed by a licensed professional engineer that satisfies all requirements of the North Carolina Building Code, provides an air change in the public areas of the establishment every 15 minutes, and exhausts the air to the exterior of the building.

(b) Credit. – A taxpayer that installs a qualified ventilation system in an establishment that has a smoking area is allowed a credit against the tax imposed by this Part. The credit is equal to twenty-five percent (25%) of the costs, including installation, of the system.

1 (c) Cap. – The credit allowed under this section may not exceed the amount of
2 tax imposed by this Part for the taxable year reduced by the sum of all credits allowable,
3 except tax payments made by or on behalf of the taxpayer. Any unused portion of a
4 credit allowed under this section may be carried forward for the succeeding five years.

5 (d) Sunset. – This section expires for taxable years beginning on or after January
6 1, 2012."

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

9 **"§ 105-151.31. Credit for ventilation equipment to remove secondhand smoke.**

10 (a) Definition. – For the purpose of this section, the term 'qualified ventilation
11 system' means a ventilation system that satisfies at least one of the following conditions:

12 (1) It is an electrically powered, hospital grade, HEPA media filter that
13 cleans all of the air of the public areas of the establishment by
14 removing not less than ninety-five percent (95%) of gases, vapors,
15 volatile organic compounds, and three-tenths micron particulates every
16 15 minutes.

17 (2) It is a high-ventilation air-conditioning system designed by a licensed
18 professional engineer that satisfies all requirements of the North
19 Carolina Building Code, provides an air change in the public areas of
20 the establishment every 15 minutes, and exhausts the air to the exterior
21 of the building.

22 (b) Credit. – A taxpayer that installs a qualified ventilation system in an
23 establishment that has a smoking area is allowed a credit against the tax imposed by this
24 Part. The credit is equal to twenty-five percent (25%) of the costs, including installation,
25 of the system.

26 (c) Cap. – The credit allowed under this section may not exceed the amount of
27 tax imposed by this Part for the taxable year reduced by the sum of all credits allowable,
28 except tax payments made by or on behalf of the taxpayer. Any unused portion of a
29 credit allowed under this section may be carried forward for the succeeding five years.

30 (d) Sunset. – This section expires for taxable years beginning on or after January
31 1, 2012."

32 **SECTION 3.** This act is effective for taxable years beginning on or after
33 January 1, 2007.