

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 2530
Committee Substitute Favorable 6/24/08

Short Title: Tax Credit for Renewable Energy Equipment.

(Public)

Sponsors:

Referred to:

May 26, 2008

A BILL TO BE ENTITLED

AN ACT TO ALLOW A TAX CREDIT TO CONTRIBUTORS TO UNITS OF STATE
AND LOCAL GOVERNMENTS FOR RENEWABLE ENERGY PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-129.16H reads as rewritten:

"§ 105-129.16H. Credit for donating funds to a nonprofit organization or unit of State or local government to enable the nonprofit or government unit to acquire renewable energy property.

(a) Credit. – A taxpayer who donates money to a tax-exempt nonprofit organization or unit of State or local government for the purpose of providing funds for the organization or government unit to construct, purchase, or lease renewable energy property is allowed a credit under this section if the nonprofit organization uses the donation for its intended purpose. A tax-exempt nonprofit organization is an organization that is exempt from tax under section 501(c)(3) of the Code.

The amount of the credit allowed in this section is the taxpayer's share of the credit the nonprofit organization or unit of State or local government could claim under G.S. 105-129.16A if the nonprofit organization or unit of State or local government were subject to tax. The taxpayer's share of the credit is calculated by dividing the taxpayer's donation by the cost of the renewable energy property constructed, purchased, or leased by the nonprofit organization or government unit and placed in service during the taxable year and then multiplying this percentage by the amount of the credit the nonprofit organization or government unit could claim if it were subject to tax. A taxpayer must take the credit allowed by this section in the year in which the property is placed in service. The installment requirements in G.S. 105-129.16A for nonresidential property do not apply to the credit allowed in this section.

(b) Records. – A nonprofit organization or unit of State or local government must keep a record of all donations it receives for the purpose of providing funds for the organization to construct, purchase, or lease renewable energy property and of the amount of the donations used for this purpose. If a nonprofit organization or unit of

1 State or local government places renewable energy property in service that is purchased
2 in whole or in part from donations made for this purpose, the nonprofit organization or
3 unit of State or local government must give each taxpayer who made a donation a
4 statement setting out the amount of the credit for which the taxpayer qualifies under this
5 section. The statement must describe the renewable energy property placed in service
6 and state the cost of the property, the amount of the credit the nonprofit organization or
7 unit of State or local government could claim under G.S. 105-129.16A if it were subject
8 to tax, and the taxpayer's share of the credit allowed in this section. If the donations
9 made for the renewable energy property exceed the cost of the property, the nonprofit
10 organization or unit of State or local government must prorate each taxpayer's share of
11 the credit. The sum of the credits allowed under this section to taxpayers who make
12 donations to a nonprofit organization or unit of State or local government may not
13 exceed the amount of the credit the nonprofit organization or unit of State or local
14 government could claim under G.S. 105-129.16A if it were subject to tax.

15 (c) No Double Benefit. – A taxpayer who claims a credit under this section based
16 on a donation to a nonprofit organization or unit of State or local government is not
17 allowed to deduct this donation as a charitable contribution."

18 **SECTION 2.** G.S. 105-130.5(a)(20) reads as rewritten:

19 "(a) The following additions to federal taxable income shall be made in
20 determining State net income:

21 ...

22 (20) The amount of a donation made to a nonprofit organization or unit of
23 State or local government for which a credit is claimed under
24 G.S. 105-129.16H."

25 **SECTION 3.** G.S. 105-134(c)(5b) reads as rewritten:

26 "(c) Additions. – The following additions to taxable income shall be made in
27 calculating North Carolina taxable income, to the extent each item is not included in
28 taxable income:

29 ...

30 (5b) The amount of a donation made to a nonprofit organization or unit of
31 State or local government for which a credit is claimed under
32 G.S. 105-129.16H."

33 **SECTION 4.** G.S. 105-259(b)(38) reads as rewritten:

34 "(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State
35 who has access to tax information in the course of service to or employment by the State
36 may not disclose the information to any other person unless the disclosure is made for
37 one of the following purposes:

38 ...

39 (38) To verify with a nonprofit organization or unit of State or local
40 government information relating to eligibility for a credit under
41 G.S. 105-129.16H."

42 **SECTION 5.** This act is effective for taxable years beginning on or after
43 January 1, 2008.