



## States' Biofuels Statutes

### STATE OF NORTH CAROLINA

*This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [States' Biofuels Statutory Citations](#).*

*Current through the 2013 Legislative Session of the North Carolina General Assembly.*

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

<Text of section eff. for taxable years beginning on or after January 1, 2010. See, also, section eff. for taxable years beginning before January 1, 2010.>

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

(b) Expiration.--If, in one of the years in which the installment of a credit accrues, the renewable energy property with respect to which the credit was claimed is disposed of, taken out of service, or moved out of State, the credit expires and the taxpayer may not take any remaining installment of the credit. The taxpayer may, however, take the portion of an installment that accrued in a previous year and was carried forward to the extent permitted under G.S. 105-129.17.

(c) Ceilings.--The credit allowed by this section may not exceed the applicable ceilings provided in this subsection.

(1) Business.--A ceiling of two million five hundred thousand dollars (\$2,500,000) applies to each installation of renewable energy property placed in service for a business purpose. Renewable energy property is placed in service for a business purpose if the useful energy generated by the

property is offered for sale or is used on-site for a purpose other than providing energy to a residence.

(2) Nonbusiness.--The following ceilings apply to renewable energy property placed in service for a nonbusiness purpose:

a. One thousand four hundred dollars (\$1,400) per dwelling unit for solar energy equipment for domestic water heating, including pool heating.

b. Three thousand five hundred dollars (\$3,500) per dwelling unit for solar energy equipment for active space heating, combined active space and domestic hot water systems, and passive space heating.

c. Eight thousand four hundred dollars (\$8,400) for each installation of geothermal equipment.

d. Ten thousand five hundred dollars (\$10,500) for each installation of any other renewable energy property.

(3) Eco-Industrial Park.--A ceiling of five million dollars (\$5,000,000) applies to each installation of renewable energy property placed in service at an Eco-Industrial Park certified under G.S. 143B-437.08 for a business purpose described in subdivision (1) of this subsection.

(d) No Double Credit.--A taxpayer that claims any other credit allowed under this Chapter with respect to renewable energy property may not take the credit allowed in this section with respect to the same property. A taxpayer may not take the credit allowed in this section for renewable energy property the taxpayer leases from another unless the taxpayer obtains the lessor's written certification that the lessor will not claim a credit under this Chapter with respect to the property.

(e) Sunset.--This section is repealed effective for renewable energy property placed into service on or after January 1, 2016.

**Credits:** Added by S.L. 1999-342, § 2. Amended by S.L. 2005-413, § 5, eff. Jan. 1, 2006; S.L. 2009-548, § 2, eff. Jan. 1, 2009; S.L. 2010-4, § 1, eff. Jan. 1, 2009; S.L. 2010-167, § 2(b), eff. Jan. 1, 2010; S.L. 2010-147, § 5.4, eff. Jan. 1, 2011.