

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE DRH10709-TDx-7 (03/04)

Short Title: Alternative Fuels Tax Credits. (Public)

Sponsors: Representatives Bryant, Harrison, and Tolson (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO CREATE A TAX CREDIT FOR ALTERNATIVE FUEL INFRASTRUCTURE  
3 AND TO CREATE A TAX CREDIT FOR ALTERNATIVE FUEL VEHICLES AND  
4 ADVANCED TECHNOLOGY VEHICLES.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-129.15 is amended by adding a new subdivision 1(a) to  
7 read:

8 "(1a) Alternative fuel for motor vehicles. – Any of the following which is used for  
9 the propulsion of motor vehicles:

10 (a) Compressed natural gas.

11 (b) Liquefied natural gas.

12 (c) Liquefied petroleum gas.

13 (d) Hydrogen.

14 (e) Any liquid at least 85 percent (85%) of the volume of which consists  
15 of methanol.

16 (f) Electricity."

17 **SECTION 2.** G.S. 105-129.16D(a) reads as rewritten:

18 "(a) ~~Dispensing Credit~~Refueling Property Credit. – A taxpayer that constructs and  
19 installs and places in service in this State a qualified commercial or residential facility for  
20 dispensing renewable fuel is allowed a credit equal to ~~fifteen percent (15%)~~ thirty percent  
21 (30%) of the cost to the taxpayer of constructing and installing the part of the dispensing  
22 facility, including pumps, storage tanks, and related equipment, that is ~~directly and exclusively~~  
23 used for dispensing or storing renewable fuel. A facility is qualified if the equipment used to  
24 store or dispense renewable fuel is labeled for this purpose and clearly identified as associated  
25 with renewable fuel.

26 ~~The~~ For commercial facilities, the entire credit may not be taken for the taxable year in  
27 which the facility is placed in service but must be taken in three equal annual installments  
28 beginning with the taxable year in which the facility is placed in service. If, in one of the years  
29 in which the installment of a credit accrues, the portion of the facility directly and exclusively  
30 used for dispensing or storing renewable fuel is disposed of or taken out of service, the credit  
31 expires and the taxpayer may not take any remaining installment of the credit. The taxpayer  
32 may, however, take the portion of an installment that accrued in a previous year and was  
33 carried forward to the extent permitted under G.S. 105-129.17. For residential facilities, the  
34 entire credit must be claimed in the taxable year the costs are incurred."

35 **SECTION 3.** G.S. 105-129.16D(d) reads as rewritten:



1 "(d) Sunset. – This section is repealed effective for facilities placed in service on or after  
2 January 1, 2011-January 1, 2015."

3 **SECTION 4.** Article 3B of Chapter 105 of the General Statutes is amended by  
4 adding a new section G.S. 105-129.16I to read:

5 "**§ 105-129.16I. Credit for installing alternative fuel facilities.**

6 (a) Refueling Property Credit. – A taxpayer that constructs and installs and places in  
7 service in this State a qualified commercial or residential facility for dispensing alternative fuel  
8 for motor vehicles is allowed a credit equal to thirty percent (30%) of the cost to the taxpayer of  
9 constructing and installing the part of the dispensing facility, including pumps, storage tanks,  
10 and related equipment, that is used for dispensing or storing alternative fuel for motor vehicles.  
11 A facility is qualified if the equipment used to store or dispense alternative fuel for motor  
12 vehicles is labeled for this purpose and clearly identified as associated with alternative fuel.

13 For commercial facilities, the entire credit may not be taken for the taxable year in which  
14 the facility is placed in service but must be taken in three equal annual installments beginning  
15 with the taxable year in which the facility is placed in service. If, in one of the years in which  
16 the installment of a credit accrues, the portion of the facility directly and exclusively used for  
17 dispensing or storing alternative fuel for motor vehicles is disposed of or taken out of service,  
18 the credit expires and the taxpayer may not take any remaining installment of the credit. The  
19 taxpayer may, however, take the portion of an installment that accrued in a previous year and  
20 was carried forward to the extent permitted under G.S. 105-129.17. For residential facilities, the  
21 entire value of the credit must be claimed in the taxable year the costs are incurred.

22 (b) Property Used by Tax-Exempt Entity. – In the case of any qualified commercial  
23 facility for dispensing alternative fuel for motor vehicles sold to a tax-exempt nonprofit  
24 organization or unit of State or local government, the person who sold such property to the  
25 person or entity using the facility shall be treated as the taxpayer that placed the facility in  
26 service. The person taking the credit must clearly disclose to the entity purchasing the property  
27 for the qualified facility any credit allowed under this section.

28 (c) Sunset. – This section is repealed effective for facilities placed in service on or after  
29 January 1, 2015."

30 **SECTION 5.** Article 3B of Chapter 105 of the General Statutes is amended by  
31 adding a new section to read:

32 "**§ 105-129.16J. Credit for alternative fuel and advanced technology plug-in vehicles.**

33 (a) Definitions. – The following definitions apply in this section:

34 (1) Alternative fuel motor vehicle. – A motor vehicle which is made by a  
35 manufacturer and is only capable of operating on an alternative fuel for  
36 motor vehicles as defined in G.S. 105-129.15.

37 (2) Plug-in electric vehicle. – A motor vehicle which is made by a manufacturer  
38 primarily for use on public streets, roads, and highways, with a gross vehicle  
39 weight rating of less than 14,000 pounds, and propelled to a significant  
40 extent by an electric motor which draws electricity from a battery. The  
41 battery must meet the following specifications:

42 a. A capacity of not less than 4 kilowatt hours.

43 b. Is capable of being recharged from an external source of electricity.

44 (b) Credit. – A taxpayer who purchases a new alternative fuel motor vehicle or a new  
45 plug-in electric vehicle is eligible for a credit against the tax imposed by this Part. The amount  
46 of the credit is equal to two thousand dollars (\$2,000) for each alternative motor vehicle or  
47 plug-in electric vehicle purchased by the taxpayer.

48 (c) Vehicle Purchased by Tax-Exempt Entity. – In the case of a vehicle purchased by a  
49 tax-exempt nonprofit organization or unit of State or local government, the person who sold  
50 such vehicle shall be treated as the taxpayer that purchased the vehicle. The person taking the

1 credit must clearly disclose to the entity purchasing the vehicle any credit allowed under this  
2 section.

3 (d) Sunset. – This section is repealed effective for taxable years beginning on or after  
4 January 1, 2015."

5 **SECTION 6.** This act is effective for taxes imposed for taxable years beginning on  
6 or after January 1, 2010.