

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE DRH10909-MH-113 (05/01)

Short Title: Tax Credit for Water Conserving Property. (Public)

Sponsors: Representative K. Alexander.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE A TAX CREDIT TO INDIVIDUALS OR BUSINESSES  
3 PURCHASING PRODUCTS CERTIFIED AS "WATERSENSE" BY THE UNITED  
4 STATES ENVIRONMENTAL PROTECTION AGENCY.

5 The General Assembly of North Carolina enacts:

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

8 "**§ 105-130.49. WaterSense program property.**

9 (a) Credit. – A taxpayer who purchases WaterSense program property is allowed a  
10 credit against the taxes imposed by this Part equal to thirty percent (30%) of the purchase cost.  
11 The credit may not exceed one thousand five hundred dollars (\$1,500) for any taxable year. For  
12 purposes of this section, "WaterSense program property" means any property that is certified  
13 by the United States Environmental Protection Agency as meeting the requirements of the  
14 WaterSense program.

15 (b) Limitations. – The credit may be claimed only by the first purchaser of the  
16 WaterSense program property and may not be claimed by a person who purchases the  
17 equipment for resale or for use outside this State. The credit allowed under this section may not  
18 exceed the amount of tax imposed by this Part for the taxable year reduced by the sum of all  
19 credits allowable, except tax payments made by or on behalf of the taxpayer. Any unused  
20 portion of a credit under this section may be carried forward for the next succeeding five years.

21 (c) Substantiation. – In order to claim a credit under this section, the taxpayer must  
22 include with the tax return documentation that the property with respect to which a credit is  
23 claimed is WaterSense program property.

24 (d) Sunset. – This section is repealed effective for taxable years beginning on or after  
25 January 1, 2014."

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

28 "**§ 105-151.33. WaterSense program property.**

29 (a) Credit. – A taxpayer who purchases WaterSense program property is allowed a  
30 credit against the taxes imposed by this Part equal to thirty percent (30%) of the purchase cost.  
31 The credit may not exceed one thousand five hundred dollars (\$1,500) for any taxable year. For  
32 purposes of this section, "WaterSense program property" means any property that is certified  
33 by the United States Environmental Protection Agency as meeting the requirements of the  
34 WaterSense program.



1        (b) Limitations. – The credit may be claimed only by the first purchaser of the  
2 WaterSense program property and may not be claimed by a person who purchases the  
3 equipment for resale or for use outside this State. The credit allowed under this section may not  
4 exceed the amount of tax imposed by this Part for the taxable year reduced by the sum of all  
5 credits allowable, except tax payments made by or on behalf of the taxpayer. Any unused  
6 portion of a credit under this section may be carried forward for the next succeeding five years.

7        (c) Substantiation. – In order to claim a credit under this section, the taxpayer must  
8 include with the tax return documentation that the property with respect to which a credit is  
9 claimed is WaterSense program property.

10        (d) Sunset. – This section is repealed effective for taxable years beginning on or after  
11 January 1, 2014."

12        **SECTION 3.** This act is effective for taxable years beginning on or after January 1,  
13 2010, and applies to amounts paid or incurred by a taxpayer for certified WaterSense program  
14 property on or after that date.