

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE BILL 1596  
Committee Substitute Favorable 5/26/09

Short Title: Tax Credit/Water Con. Products and Property.

(Public)

Sponsors:

Referred to:

May 6, 2009

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

6 The General Assembly of North Carolina enacts:

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

9 **"§ 105-130.49. WaterSense program property.**

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

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

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

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 – This section is repealed effective for taxable years beginning on or after  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

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

31 **"§ 105-151.33. WaterSense program property.**

32 (a) Credit. – A taxpayer who purchases WaterSense program products or property is  
33 allowed a credit against the taxes imposed by this Part equal to thirty percent (30%) of the costs  
34 to purchase and install the products or purchase or construct property. The credit may not  
35 exceed one thousand five hundred dollars (\$1,500) for any taxable year. For purposes of this  
36 section, "WaterSense program products or property" means fixtures, equipment, or services that



1 are certified by the United States Environmental Protection Agency as meeting the  
2 requirements of the WaterSense program.

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

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

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

15 **SECTION 3.** This act is effective for taxable years beginning on or after January 1,  
16 2010, and applies to amounts paid or incurred by a taxpayer for purchase or installation of  
17 certified WaterSense program products or property on or after that date.