

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 906
Committee Substitute Favorable 6/4/09

Short Title: Alternative Fuels Tax Credits.

(Public)

Sponsors:

Referred to:

April 1, 2009

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 to read:

7 "(1a) Alternative fuel for motor vehicles. – Any of the following which is used for
8 the propulsion of motor vehicles:

9 a. Compressed natural gas.

10 b. Liquefied natural gas.

11 c. Liquefied petroleum gas.

12 d. Hydrogen.

13 e. Any liquid at least eighty-five percent (85%) of the volume of which
14 consists of methanol.

15 f. Electricity."

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

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

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

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

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 – This section is repealed effective for facilities placed in service on or after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



1 **SECTION 4.** Article 3B of Chapter 105 of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 105-129.16L. Credit for installing alternative fuel facilities.**

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

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

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

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

28 **SECTION 5.** Article 3B of Chapter 105 of the General Statues is amended by
29 adding a new section to read:

30 **"§ 105-129.16J. Credit for alternative fuel and advanced technology plug-in vehicles.**

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

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

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

40 a. A capacity of not less than four kilowatt hours.

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

42 (b) Credit. – A taxpayer who purchases a new alternative fuel motor vehicle or a new
43 plug-in electric vehicle is eligible for a credit against the tax imposed by this Part. The amount
44 of the credit is equal to two thousand dollars (\$2,000) for each alternative motor vehicle or
45 plug-in electric vehicle or aftermarket plug-in vehicle conversion that meets applicable federal
46 safety and emission standards purchased by the taxpayer.

47 (c) Vehicle Purchased by Tax-Exempt Entity. – In the case of a vehicle purchased by a
48 tax-exempt nonprofit organization or unit of State or local government, the person who sold
49 such vehicle shall be treated as the taxpayer that purchased the vehicle. The person taking the
50 credit must clearly disclose to the entity purchasing the vehicle any credit allowed under this
51 section.

1 (d) Sunset. – This section is repealed effective for taxable years beginning on or after
2 January 1, 2015."
3 **SECTION 6.** This act is effective for taxes imposed for taxable years beginning on
4 or after January 1, 2010.