

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

H

D

HOUSE DRH70202-MC-197 (04/18)

Short Title: Housing Stimulus.

(Public)

Sponsors: Representatives Wray, Crawford, Owens, and Wainwright (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE AN INCENTIVE FOR HOME RENOVATIONS AND
3 PURCHASING NEW ENERGY-EFFICIENT HOMES.

4 The General Assembly of North Carolina enacts:

5
6 **TAX CREDIT FOR HOME RENOVATION EXPENSES**

7 **SECTION 1.(a)** Part 2 of Article 4 of Chapter 105 of the General Statutes is
8 amended by adding a new section to read:

9 "**§ 105-151.33. Credit for home renovation expenses.**

10 (a) The following definitions apply in this section:

11 (1) Eligible residence. – A residence in this State owned by the taxpayer at the
12 time renovations are commenced that is used as the taxpayer's primary
13 residence. The term includes only the building used as a residence.

14 (2) Renovation expenses. – Expenses incurred in improving the eligible
15 residence that would result in an increase in basis under the Code.

16 (b) Credit. – A taxpayer is allowed a credit against the tax imposed by this Part. The
17 credit is equal to fifteen percent (15%) of the renovation expenses for activities performed
18 during the taxable year that exceed one thousand dollars (\$1,000).

19 (c) Limitations. – The credit allowed under this section may not exceed a total of one
20 thousand three hundred fifty dollars (\$1,350). The credit allowed under this section may not
21 exceed the amount of tax imposed for the taxable year reduced by the sum of all credits
22 allowed, except payments of tax made by or on behalf of the taxpayer. Any unused portion of a
23 credit may be carried forward for the succeeding five years.

24 (d) Substantiation. – A taxpayer allowed a credit under this section must maintain and
25 make available for inspection any information or records required by the Secretary of Revenue.
26 The taxpayer has the burden of proving eligibility for a credit and the amount of the credit.

27 (e) Sunset. – This section is repealed for renovation expenses for activities performed
28 on or after January 1, 2013."

29 **SECTION 1.(b)** This section is effective for taxable years beginning on or after
30 January 1, 2011, for renovation expenses for activities performed on or after July 1, 2011.

31
32 **TAX CREDIT FOR PURCHASING ENERGY-EFFICIENT NEW HOME**

33 **SECTION 2.(a)** Part 2 of Article 4 of Chapter 105 of the General Statutes is
34 amended by adding a new section to read:

35 "**§ 105-151.34. Credit for purchasing a new energy-efficient home.**



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

2 (1) Certified HERS rater. – A person trained and certified in accordance with
3 requirements set by RESNET to inspect and evaluate a home's energy
4 features.

5 (2) HERS Index. – A scoring system developed by RESNET to measure the
6 energy efficiency of a home.

7 (3) New energy-efficient home. – A single-family residence or a unit in a
8 multifamily residential complex in this State that has not previously been
9 occupied and that has been certified as having a HERS Index rating of 70 or
10 below by a HERS rater.

11 (4) RESNET. – The Residential Energy Service Network, Inc., a nonprofit
12 corporation incorporated in the state of Arkansas.

13 (b) Credit. – A taxpayer is allowed a credit against the tax imposed by this Part in the
14 amount of one thousand five hundred dollars (\$1,500) for each energy-efficient new home
15 purchased by the taxpayer during the taxable year. The credit allowed under this section may
16 not exceed the amount of tax imposed for the taxable year reduced by the sum of all credits
17 allowed, except payments of tax made by or on behalf of the taxpayer. Any unused portion of a
18 credit may be carried forward for the succeeding five years.

19 (c) Substantiation. – A taxpayer allowed a credit under this section must maintain and
20 make available for inspection any information or records required by the Secretary of Revenue.
21 The taxpayer has the burden of proving eligibility for a credit and the amount of the credit.

22 (d) Sunset. – This section is repealed for purchases of new energy-efficient homes that
23 occur on or after January 1, 2016."

24 **SECTION 2.(b)** This section is effective for taxable years beginning on or after
25 January 1, 2012.