

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: Senate Bill 372 (Second Edition)

SHORT TITLE: Renewable Energy Safe Harbor.

SPONSOR(S): Senators Rucho, Tillman, and Rabon

FISCAL IMPACT					
(\$ in millions)					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
State Impact					
General Fund Revenues:	\$0.0	(\$36.7)	(\$36.7)	(\$36.7)	(\$36.7)
General Fund Expenditures:					
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:					
NET STATE IMPACT	\$0.0	(\$36.7)	(\$36.7)	(\$36.7)	(\$36.7)
Local Impact					
Revenues:					
Expenditures:					
NET LOCAL IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Department of Revenue					
EFFECTIVE DATE: When it becomes law					
TECHNICAL CONSIDERATIONS: None					

BILL SUMMARY:

The bill amends the sunset provision for the renewable energy property investment tax credit, providing that the tax credit expires as scheduled under current law on January 1, 2016, unless the taxpayer meets specified requirements related to partial completion of the project, upon which the tax credit will expire on January 1, 2017. The requirements include that the taxpayer submits a written statement to the Secretary of Revenue on or before October 1, 2015, specifying the location and good faith estimate of the total cost, total credit that is anticipated to be claimed, and the total size of megawatt capacity of each installation of renewable energy property proposed.

ASSUMPTIONS AND METHODOLOGY:

The estimate is derived from industry information regarding renewable energy projects that will meet the criteria of the legislation, resulting in approximately \$525 million in investment eligible for a tax credit in 2017. At a credit rate of 35% of the eligible investment amount, this yields renewable energy investment tax credits of \$183 million, eligible to be taken in five equal installments of approximately \$36.7 million per year beginning in 2016.

SOURCES OF DATA: NC Department of Revenue, Renewable Energy Industry data

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Jonathan Tart

APPROVED BY:

Mark Trogdon, Director
Fiscal Research Division

DATE: March 26, 2015



Signed Copy Located in the NCGA Principal Clerk's Offices