

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 645

Short Title: Remove Cap on Energy Credits.

(Public)

Sponsors: Senator Clodfelter.

Referred to: Finance.

April 19, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO REMOVE THE CAP ON THE ENERGY CREDITS.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-129.17 reads as rewritten:

5 "**§ 105-129.17. Tax election; cap.**

6 (a) Tax Election. – The credit allowed in G.S. 105-129.16A is allowed against the
7 franchise tax levied in Article 3 of this Chapter, the income taxes levied in Article 4 of this
8 Chapter, or the gross premiums tax levied in Article 8B of this Chapter. All other credits
9 allowed in this Article are allowed against the franchise tax levied in Article 3 of this Chapter
10 or the income taxes levied in Article 4 of this Chapter. The taxpayer must elect the tax against
11 which a credit will be claimed when filing the return on which the first installment of the credit
12 is claimed. This election is binding. Any carryforwards of a credit must be claimed against the
13 same tax.

14 (b) Cap. – The credits allowed in ~~this Article~~ G.S. 105-129.16E, 105-159.16G, and
15 105-129.16J may not exceed fifty percent (50%) of the tax against which they are claimed for
16 the taxable year, reduced by the sum of all other credits allowed against that tax, except tax
17 payments made by or on behalf of the taxpayer. This limitation applies to the cumulative
18 amount of credit, including carryforwards, claimed by the taxpayer under this Article against
19 each tax for the taxable year. Any unused portion of the credits may be carried forward for the
20 succeeding five years."

21 **SECTION 2.** This act is effective for taxes imposed for taxable years beginning on
22 or after January 1, 2011.

