

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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HOUSE BILL 2265

Short Title: Tax Credit for High-Fuel-Economy Cars. (Public)

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Sponsors: Representatives Tucker; McLawhorn, Underhill, and Warren.

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Referred to: Finance.

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May 22, 2006

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE FOR AN INCOME TAX CREDIT FOR THE  
3 MANUFACTURE OF A HIGH-FUEL-ECONOMY MOTOR VEHICLE.

4 The General Assembly of North Carolina enacts:

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

7 "**§ 105-130.48. Credit for manufacturing high-fuel-economy motor vehicles.**

8 (a) Definition. – As used in this section, a 'high-fuel-economy motor vehicle' is a  
9 motor vehicle that has a combined fuel economy rating, as determined by the United  
10 States Environmental Protection Agency, that equals or exceeds 30 miles per gallon.

11 (b) Credit. – A taxpayer that manufactures in this State a high-fuel-economy  
12 motor vehicle is allowed a credit against the tax imposed by this Part. The amount of the  
13 credit is equal to five hundred dollars (\$500.00) per high-fuel-economy motor vehicle  
14 manufactured in this State.

15 (c) Cap. – The credit allowed by this section may not exceed fifty percent (50%)  
16 of the amount of the tax imposed by this Part for the taxable year reduced by the sum of  
17 all other credits allowable, except payments of tax made by or on behalf of the taxpayer.  
18 This limitation applies to the cumulative amount of the credit, including carryforward,  
19 claimed by the taxpayer under this section for the taxable year. Any unused portion of  
20 the credit may be carried forward for the succeeding 10 years."

21 **SECTION 2.** This act is effective for taxable years beginning on or after  
22 January 1, 2006.