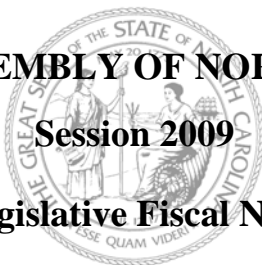


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: House Bill 284 (First Edition)

SHORT TITLE: Extend Renewable Energy Credit Sunset.

SPONSOR(S): Representative K. Alexander

FISCAL IMPACT (in \$Millions)					
	Yes (x)	No ()	No Estimate Available ()		
	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
REVENUES					
General Fund				(\$1.0)	(\$1.0)
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Department of Revenue					
EFFECTIVE DATE: Date of approval					

BILL SUMMARY: House Bill 284 would extend the sunset of the Renewable Energy Credits, part of the Article 3B Business and Energy Tax Credits, from January 1, 2011 to January 1, 2016.

ASSUMPTIONS AND METHODOLOGY: House Bill 284 would extend the sunset of the Renewable Energy Credits from January 1, 2011 to January 1, 2016. Extending the sunset of the credit will increase the length of time that the state awards the existing credit for new projects. The net impact of this will be a decrease in revenues starting in FY 2012-2013, the first year in which the credit would not have been completely active under existing legislation. According to the North Carolina Department of Revenue’s Summaries of Article 3B and 3E credits for years 2003 through 2007, the amounts of the credits awarded for renewable energy property have been highly variable for the past five years but have not exceeded \$1 million. This report does not have the detail to indicate how much of the credits reflect new activity in recent years versus installments for past projects. Due to this variability and lack of complete information, this report assumes \$1 million as a rough estimate of the loss of revenues in FY 2012-13 and FY 2013-14 due to the extension of the sunset. The true loss may vary significantly from this number.

SOURCES OF DATA: NC Department of Revenue

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Marjorie Rutherford

APPROVED BY: Marilyn Chism, Director
Fiscal Research Division

DATE: March 9, 2009



Signed Copy Located in the NCGA Principal Clerk's Offices