Priority Issues
AIA North Carolina
2014 Legislative Day

Reinstate Historic Tax Credits

Objective: To reinstate the State historic tax credits that were eliminated from law through last year's tax reform bill.

Analysis: Since their creation in 1998, the North Carolina Rehabilitation Tax Credits have stimulated $1.6 billion of private investment in North Carolina's heritage, creating an estimated 23,000 jobs, boosting local economies and communities and attracting out-of-state investment.

On the national stage, North Carolina is consistently a leader in the use of the federal rehabilitation tax credits, ranking third nationally in 2011. The reason North Carolina has ranked so high is the boost provided by the state Rehabilitation Tax Credits.

In 1997, the North Carolina General Assembly enacted the state tax credits to provide an additional incentive for investment in National Register properties in North Carolina. The State income tax credit "piggybacks" off the Federal tax credits, increasing their use in North Carolina.

By 2013, NC Rehabilitation Tax Credit projects have been completed in 90 of the 100 counties. These range from rural to urban, income-producing properties to owner-occupied homes. The credits contribute an annual average of $124.5 million to the state gross domestic product and approximately 2,190 jobs. These rehabilitation projects generate federal, state, and local tax revenue during construction, and they continue to do so after construction ends - with sales taxes from new businesses, increased property taxes, and income taxes from newly created jobs.

Without the reinstatement of these tax credits by the end of 2014, most of the benefit and job creation the state has enjoyed as a result of these rehabilitation credits will dry up and local communities, both urban and rural, will lose a valuable economic development tool. Governor McCory has gone on record as supporting some form of reinstatement of these credits in the 2014 legislative session.

(This analysis was developed and reprinted from Preservation North Carolina. The full analysis from PNC can be obtained at the PNC website here: https://www.presnc.org/files/2013/10/NCPreservation_tax_credits_2014.pdf)

Priority Issues
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Energy Jobs & Ratepayer Savings

Objective: To stay the course in North Carolina with the creation of thousands of new jobs in the energy sector:

- Oppose HB 201 – Repeal of the 2012 Energy Conservation Code
- Oppose HB 298/SB 365 - Repeal of the Renewable Energy Portfolio Standards for Public Utilities

Analysis: The Research Triangle Institute International and La Capra Associates conducted an independent and objective analysis focused on key policy drivers and the economic, fiscal, and ratepayer impacts associated with clean energy development in North Carolina. The study found that the key policy drivers were the Renewable Energy & Energy Efficiency Portfolio Standard (REPS), renewable energy investment tax credit, and Utility Savings Initiative.

North Carolina's clean energy and energy efficiency programs achieved the following:

- Spurred $1.4 billion in project investment statewide between 2007 and 2012. This was supported by the state at an estimated $72 million.
- Contributed an estimated $1.7 billion between 2007 and 2012 to the gross state product, including secondary effects. This estimate includes renewable energy project construction and operation benefits, state costs and incentives, reduced conventional energy generation, utility customer fees, and energy efficiency benefits.
- Created or retained 21,163 jobs from 2007 to 2012.
- There is no appreciable rate impact to residential, commercial, and industrial customer groups through 2026 resulting from state renewable energy and energy efficiency policies.
- By 2026, this switch to clean energy will lead to $173 million in cost savings.
- Over the 20-year period since the start of clean energy policies in North Carolina, rates are expected to be lower than they would have been had the state continued to only use existing, conventional generation sources.

With these findings it's clear that legislative policy investments made to spur economic activity in the clean energy sector have paid, and continue to pay, tremendous dividends. The goals in implementing all of these programs, as well as more modern energy codes, was to save energy, create jobs with new technology, save North Carolina ratepayers from added rate increases for new power generation and reduce carbon emissions. Clearly every one of these goals are being met. There is no reason to eliminate these economic drivers for our state.

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