Division of Water Quality

Tax Certification for Water Pollution Abatement
Tax Certification for Water Pollution Abatement

- Who can apply?
- What equipment qualifies?
- Application walkthrough
- Tax certification process
Who can apply?

Tax Certification for Water Pollution Abatement

Anyone with a North Carolina DWR NPDES permit!

Permit types:

- **Discharge permit** (point source to a stream) **NC00xxxxx** or **NCGxxxxxx**
- **Non-discharge permit** (i.e.: irrigation, spray field) **WQ00xxxxx**
- Significant industrial user (SIU) permit issued by a local municipal WWTP
  - Example: New Belgium Brewing holds SIU Permit No. S-075-019 issued by the Buncombe Metropolitan Sewerage District under NPDES Permit Number **NC0024911**, so they may apply
  - When applying, include NPDES permit no. of WWTP you discharge to, as well as your SIU permit no.

- **Stormwater permits do not qualify**
What is eligible for certification?

Principles of taxation

- Real and personal property
  - Real property: things permanently affixed, such as land and buildings
  - Personal property: things that are moveable without injury to the property, such as equipment and vehicles

- What is the “cost” of the property?
  - Real property: straightforward
  - Personal property: can include the total costs involved to get a piece of equipment operational

- Example:
  - Equipment price: $600,000
  - Installation cost: $15,000
  - Freight: $5,000
  - Grading land for equipment: $35,000
  - Engineering cost: $12,000
  - **Total Cost: $667,000**
What property is eligible for certification?

Tax Certification for Water Pollution Abatement

- Must be used exclusively for water pollution abatement 100% of the time
  - Must be primary purpose, not incidental
- Example: A non-discharge permit requires a land application site, where a hay baler is needed to remove the crop.
  - **Hay baler qualifies** if used exclusively in land application field
  - **Hay baler does not qualify** if used in additional fields not related to water pollution abatement
Does my building qualify?

Tax Certification for Water Pollution Abatement

- Probably not!
- Buildings do not qualify unless permit requires equipment to be housed.
- Entire building must be exclusively for equipment, or an isolated section that can be certified.

In Fig. 1, the section of the building that contains the pollution abatement equipment could be removed and the main building could still function. In Fig. 2, if the pollution abatement equipment section (represented by the “X”) were removed, it would leave a hole in the building. The section from Fig. 1 could be certified, but the section from Fig. 2 could not.
Applying for certification

DIVISION OF WATER RESOURCES
APPLICATION FOR TAX CERTIFICATION & EXEMPTION FORM TC-00

This application is to be used only for waste treatment systems and equipment under the authority of the NC Division of Water Resources (DWR).

DIRECTIONS: Complete and mail signed copies of this application form and all supporting information to both: 1) the County Tax Administrator for the County in which the facility is located (one copy) AND 2) the NC Division of Water Resources, Surface Water Protection Section, 1111 Mail Service Center, Raleigh, NC 27695-1017 (two copies). Type or print in blue or black ink. A incomplete application will NOT BE PROCESSED WITHOUT COMPLETE AND ACCURATE INFORMATION. If you have any questions regarding this application, please call the local tax office or the NC Division of Water Resources at 919-773-3660 or visit our website at https://ncdec.gov/deq/nc-one-stop/water/resources/water-resources-regulations/wastewater-requirement-tax-certification for more specific contact information.

Please Note:

a) Tax Certifications will only be processed for facilities under the authority of the DWR and only if the DWR has found that the described property:
1. Has been or will be constructed or installed;
2. Complies with or meets standards which have been submitted to the DWR indicating that the facility is in compliance with all applicable requirements of the Environmental Management Commission;
3. Is being effectively operated or will when completed, be required to operate in accordance with the terms and conditions of the permit, certificate of approval, or other document of approval issued by the DWR; and
4. Has or, when completed, will have an effect PRIMARILY rather than incidentally on the reduction of water pollution.

b) If approved, the Tax Certification issued will incorporate all requested assets at the facility that meet the criteria for Tax Certification by DWR. Therefore this application must include all new assets for which Tax Certification is being requested, as well as any assets previously receiving Tax Certification from DWR for which Tax Certification is still needed.

A. Applicant (Applicant is the owner of, and taxpayer for, the property described in this application for tax certification):

Name of Applicant:
Pardee Foods LLC

Address of Applicant, if different from Facility where property located:

Physical Address of Facility where property located (as P.O. Box):
Highway 153 West, Northampton, NC 27851

B. Facility Relationship of Applicant to Facility:

Does the Applicant own any NC Division of Water Resources Permit(s)?
X Yes / ☐ No

X Yes / ☐ No

If approved, will this be the first Tax Certification issued for this Facility?
If no, attach any previously issued tax certifications.

X Yes / ☐ No

If approved, will this be the first Tax Certification issued for this Facility?

B. Complete this section only if the Operator/Owner of the facility and equipment is different from the Owner of the Facility:

Name of Operator/Owner:

Operational User Address:

Operational User Contract Name:

Relationship betweenOperator/Owner and equipment and applicant:

""" ATTACH A PROCESS SCHEMATIC TO YOUR APPLICATION. The number of each item for which Tax Certification is being requested must be shown on the schematic. """

Application continues on Next page.

Be sure to ONLY list the Division of Water Quality permit relevant to the equipment that you are applying to certify!
## Department of Environmental Quality

### Waste Treatment Systems & Equipment

**Waste Treatment Systems & Equipment:** Water treatment systems & equipment must be used exclusively for the abatement of water pollution. 

**DATE:** 3/01/2019

<table>
<thead>
<tr>
<th>No.</th>
<th>Description of Waste Treatment Systems &amp; Equipment</th>
<th>Use of Asset(s) During the Permit (Yes/No)</th>
<th>Asset Number/Unique Identification Number (VIN)</th>
<th>How is this equipment used for pollution abatement?</th>
<th>% of Time Asset is Used for Pollution Abatement</th>
<th>Year of Acquisition</th>
<th>Original License Cost</th>
<th>Is this asset reported a prior year?</th>
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<tbody>
<tr>
<td>1</td>
<td>STORAGE TANK, OP 335-014</td>
<td>Yes</td>
<td>1028510</td>
<td>Wastewater Treatment &amp; Irrigation</td>
<td>100</td>
<td>1983</td>
<td>$1,714.63</td>
<td>No</td>
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<td>2</td>
<td>SPRAY IRRIGATION SYSTEM CP-355-024</td>
<td>Yes</td>
<td>1028511</td>
<td>Wastewater Treatment &amp; Irrigation</td>
<td>100</td>
<td>1983</td>
<td>$20,541.84</td>
<td>No</td>
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<td>3</td>
<td>PLANT STATION FOR SPRAY IRRIGATION - SPEC PURPOSE OP</td>
<td>Yes</td>
<td>1028512</td>
<td>Wastewater Treatment &amp; Irrigation</td>
<td>100</td>
<td>1993</td>
<td>$45,610.75</td>
<td>No</td>
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<td>4</td>
<td>WASTEWATER TREATMENT TO PUBLIC SEWER SYSTEM</td>
<td>No</td>
<td>1017908</td>
<td>Wastewater Treatment &amp; Irrigation</td>
<td>100</td>
<td>1986</td>
<td>$122,342.73</td>
<td>No</td>
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<td>5</td>
<td>Cap Unit 04, (2 of 2) 039/040纗tage Pumps</td>
<td>Yes</td>
<td>1032474</td>
<td>Wastewater Treatment &amp; Irrigation</td>
<td>100</td>
<td>2000</td>
<td>$45,350.01</td>
<td>No</td>
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<td>6</td>
<td>Applicant Upgrade Pump Per Box Title Con</td>
<td>Yes</td>
<td>1038050</td>
<td>Wastewater Treatment &amp; Irrigation</td>
<td>100</td>
<td>2006</td>
<td>$6,535.01</td>
<td>No</td>
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</tbody>
</table>

*Facilities: To qualify for tax certification, the building or section of building being applied for, must be used exclusively for water pollution prevention. A sketch of the building, square footage along with details as to how the building is used for water pollution prevention, is required.

*Land: To qualify for tax certification, the land must be used exclusively for water pollution prevention. A statement of the facility detailing the land being applied for is required. The amount of land (acreage) is required and how this land is being used to prevent water pollution. For wastewater treatment and irrigation system set separately the acreage used for actual treatment from the acreage required by the facility’s water quality permit for buffers and setbacks.

**SIGNATURE:**

I hereby certify that the above equipment, facilities and/or land are used for the purpose stated, and that the information presented in this application is accurate. Furthermore, I certify that any portable or mobile equipment listed on this application will be used exclusively in the state of North Carolina.

**Applicant:**

**Title:** Senior Manager Corporate Accounting  
**Date:** 3/12/2019

**NOTE:** The penalty for false statement, representation or certification herein includes imprisonment and/or the assessment of civil penalties.
Tax Certification Process

Central Office Review
- Assess completeness of application
- Assess facility compliance history
- Does equipment qualify?

Regional Office Inspection
- Inspect equipment to ensure it is installed or will be installed
- Verify equipment is used exclusively for water pollution abatement 100% of time

Central Office Certifies or Returns
- DWR Sends certification to permittee and county tax admin
Common reasons for returned application

Tax Certification for Water Pollution Abatement

- Did not include **valid** permit number
- Equipment listed is not associated with an NPDES permit
- Did not include process schematic for facility
- Facility not in compliance with permit
Contacts

• Marcia Allocco – Division of Environmental Assistance and Customer Service
  Marcia.Allocco@ncdenr.gov

• Emily Richards – Division of Water Resources
  Emily.Richards@ncdenr.gov

• Chris Hollinger – Division of Waste Management
  Chris.Hollinger@ncdenr.gov

• Jim Hafner – Division of Air Quality
  Jim.Hafner@ncdenr.gov

Department of Environmental Quality
Thank you!

Department of Environmental Quality