



Funding Resources for North Carolina Recycling Businesses

N.C. Recycling Business Assistance Center

Division of Environmental Assistance and Customer Service

Department of Environmental Quality

The Recycling Business Assistance Center (RBAC) is a program of the N.C. Division of Environmental Assistance and Customer Service (DEACS) that provides technical, business, and financial assistance to recycling companies. RBAC, in cooperation with the Economic Development Partnership of North Carolina, offers a variety of financial tools and incentives for recycling businesses in North Carolina including tax credits, grants, loans, and incentive programs.

Tax Incentives

The **N.C. Recycling Property Tax Exemption** offers a property tax exemption on equipment and facilities used exclusively for recycling and resource recovery. For more details and application information, please visit the Solid Waste Section of the N.C. Department of Environmental Quality website at

<https://deq.nc.gov/about/divisions/waste-management/solid-waste-section/tax-certification>.

The **N.C. Sales and Use Tax Exemption** offers an exemption from sales and use tax on the purchase of recycling equipment. Purchases that qualify for sales tax exemption are outlined in [N.C. General Statute 105-164.13 \(5k\)](#) and include equipment, fuel, piped natural gas, and electricity purchased by recyclers.*

*The statute refers specifically to secondary metals recyclers; however, a secondary metals recycler is defined in [N.C. General Statute 105-164.3 \(37g\)](#) as a person that gathers, obtains, and converts metals *and items that have served their original economic purpose*. According to the N.C. Department of Revenue, the italicized clause broadens the applicability to recyclers of any material. For more information, see the N.C. Department of Revenue's Important Notice about the July 1, 2018 change at <https://www.ncdor.gov/taxes-forms/other-taxes-and-fees/certain-machinery-and-equipment-tax> or contact the Sales and Use Tax Division at 877-252-3052.

Grants

The Recycling Business Assistance Center (RBAC) offers small grants to North Carolina recycling businesses. Requests for proposals are typically issued each fall, depending on funding availability*, for projects to begin the following spring. The purpose of this grant program is to reduce the flow of solid waste to disposal facilities and encourage the sustainable recovery of materials from North Carolina's waste stream. To achieve that purpose, RBAC seeks viable, well-planned, and effective proposals from recycling businesses in North Carolina wanting to start up or expand recovery efforts.

Projects involving the collection, processing, or end use of materials in the solid waste stream are eligible for funding. Generally, the grant money is intended to fund sustainable investments in equipment and buildings necessary for increasing the capacity of a recycling business to divert more materials from disposal and into economic use. Grant money cannot be used to cover labor costs, general operational costs, or the cost of contract processing.

Please visit the Grants section of the RBAC website at:

<https://deq.nc.gov/conservation/recycling-business-assistance/financing/grants>

Loans

A variety of loans may be available to recycling businesses. While RBAC does not lend money directly, it does provide information on a range of loan types and agencies available to recycling businesses.

Name of Loan	Loan Description	Businesses Assisted	Loan Amount
<p>Self-Help Credit Union</p> <p>https://www.self-help.org/business/loans/other-business-loans/small-business-loans</p>	<p>To expand, purchase equipment, or a building, or undertake renovations</p>	<p>Loans for existing small businesses and nonprofits</p>	<p>\$15,000</p>
<p>Partner Community Capital</p> <p>https://partnercap.org/</p>	<p>Focus on locally-owned small businesses that 1) create lasting jobs, 2) support their communities, and/or 3) use natural resources responsibly. As a non-traditional lender, we can pair our flexible financing with strategic advisory services so our borrowers are able to make the best use of our loan.</p>	<p>Small businesses</p> <p>Vital community services</p> <p>Consumer products & services</p> <p>Minority and woman-owned businesses</p> <p>Rural businesses</p> <p>Entrepreneurs in Eastern & Western NC</p>	<p>\$5,000-\$1.5 mil</p>
<p>Mountain BizWorks</p> <p>http://www.mountainbizworks.org/</p>	<p>Provides business planning courses, technical support and training.</p> <p>Specializes in providing financing to help Western North Carolina small businesses launch and expand, by offering non-traditional loans</p>	<p>Small businesses</p>	<p>\$1,000-\$500,000</p>
<p>Small Business Administration Loans</p> <p>https://www.sba.gov/funding-programs/loans</p>	<p>Guarantor of loans made by private and other institutions</p>	<p>Small businesses</p>	<p>Varies based on loan type</p>
<p>Closed Loop Infrastructure</p> <p>https://www.closedlooppartners.com/capital-management/apply-for-funding/infrastructure/</p>	<p>The Closed Loop Infrastructure Strategy accepts applications for U.S.-based projects on a rolling basis and provides below-market rate loans to municipalities and companies to improve</p>	<p>Recycling Companies</p>	<p>Typical loans average \$3-\$5 million</p>

recycling infrastructure.		
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Major Recycling Facility Tax Credits

A major recycling facility, defined as a plant using at least 50% post-consumer waste, qualifies for tax benefits if it invests at least \$300 million and creates 250 full-time jobs within four years. Owners can receive a 50% tax credit on machinery and equipment purchases, applicable to franchise and income taxes, with unused credits carried forward for 25 years. Failure to meet investment or job requirements results in forfeiture of tax benefits unless due to uncontrollable events. Credits are also forfeited if equipment is not in service within 30 months, and double credits are not allowed. Owners must maintain records and report job creation, investments, and tax credits. Some provisions have been repealed, and others are reserved for future use.

<https://www.ncdor.gov/taxes-forms/corporate-income-franchise-tax/corporate-tax-law/tax-incentives-recycling-facilities>

State Discretionary Incentive Programs

Name of Incentive	Incentive Description	Tier Designations
<p>Job Development Investment Grant (JDIG)*</p> <p>https://www.commerce.nc.gov/grants-incentives/competitive-incentives/job-development-investment-grant-jdig</p>	<p>The Job Development Investment Grant (JDIG) is a performance-based incentive that provides cash grants to companies that create jobs and invest in North Carolina. Awarded only in competitive recruitment or retention cases, JDIG helps offset facility costs while holding companies to strict performance targets. Grants are paid annually for up to 12 years, based on a rigorous review. Awards consider factors like project location, county tier, job creation, wages, investment level, and industry alignment. Payments are calculated as a percentage of new tax revenue generated by the jobs, reimbursed only if performance targets are met.</p>	<p>-Tier 1 County: 100% of the annual grant is paid to the company</p> <p>-Tier 2 County: 90% of the annual grant is paid to the company and 10% is transferred to the Utility Account, a state program to fund infrastructure projects in Tier 1 and Tier 2 counties</p> <p>-Tier 3 County: 75% of the annual grant is paid to the company, and 25% is transferred into the Utility Account</p>
<p>One North Carolina Fund (OneNC)*</p> <p>https://www.commerce.nc.gov/grants-incentives/competitive-incentives/one-north-carolina-fund</p>	<p>The One North Carolina Fund (OneNC) is a discretionary grant program that enables the Governor to quickly support competitive job-creation projects. Administered by the Department of Commerce, awards are based on job creation, investment level, project location, economic impact, and regional significance. The program uses</p>	<p>-Tier 1 County: local government must provide no less than one dollar for every three dollars provided by One NC</p> <p>-Tier 2 County: local government must provide no less than one dollar for every two dollars provided by One NC</p> <p>-Tier 3 County: local government must provide no</p>

	<p>the state’s economic tier system to encourage growth in less prosperous areas, with counties ranked annually based on economic well-being.</p>	<p>less than one dollar for every one dollar provided by One NC</p>
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For more information about financial tools and incentives for recycling businesses in North Carolina, please visit <https://www.deq.nc.gov/about/divisions/environmental-assistance-and-customer-service/recycling-and-materials-management/programs-offered/recycling-business-assistance-center/financing> or contact [Heather Cashwell](#) at (919) 707-8419.