Laura Danzig

Legislative History

Tax Law A34/S1437

Authors: Cahill, Montgomery

Title: Relates to tax credits provided for solar energy system equipment

1/5/11-Referred to Assembly of Ways and Means

New York has a long and exemplary history of legislative attempts to promote alternative energies both residentially and commercially. In order to further the early state legislature outlining the promotion and support of alternative energies and energy conservation, the state of New York has passed a series of laws and policies that have incentivized the installation of renewable energy technology or energy conservative renovations in residential and commercial buildings. With the onset of time and the discovery of new technology, Solar energy (in addition to other alternative energies) have been easier to implement residentially and commercially not only making New York more environmentally friendly, saving energy and therefore money but also increasing the overall value of the buildings by investing in technological capital. The problem remains, when a household does not have the resources to pay for the costly installation of equipment and maintenance of the equipment[[1]](#footnote-1). The pending New York tax law A34 incentivizes the purchase of renewable energies generated from an outside source by giving tax credits to the customers of this imported energy. This policy will promote the prevalence of the use solar energy thereby offsetting Green House Gas emissions and other problematic sources of pollution while avoiding the costly installation and equipment fees. This gives households that may not have the ability to pay for the equipment the ability to utilize solar energy, improve the environment and save money. This will allow for a more universalized approach to promoting renewable energies in New York State and City.

**State Energy Policy. Article 3 § 101-Laws of New York[[2]](#footnote-2)**

* To obtain and Provide safe energy to spur economic growth by protecting environmental values and health and welfare of the citizens
* To encourage energy conservation in construction of new buildings
* To encourage energy performance standards
* To encourage use of transportation and equipment that will conserve energy
* The Tax credit will comply to the overall objectives of the state energy policy because it will assist the conservation of energy and make the conservation of energy more universal and accessible for all NY citizens

**Personal Income Tax Law- Residential NY CLS Tax, Article 22 § 606 part 1[[3]](#footnote-3)**

* Tax payer is allowed to received credit by the implementation of this article
* Percent will be based in investment credit base or the cost of the tangible personal property
* If there is a net decrease in the amount of financing in relation to property, the decrease will act as the credit base
* Credit will be obtained by multiplying such investment credit base by a fraction of the expenditures paid divided by the total of all expenditures paid
* This article allows for customers to receive a proportional tax credit to the actual amount of energy paid for
* Tax credit for solar water heat, solar space heat, photovoltaic
* 10 kw minimum
* credit is equivalent to 25% of cost of equipment
* Credit Carried for 5 years
* Must be in compliance with state standards
* effective in January 1998 (Solar electric), January 2006 (Solar Thermal)[[4]](#footnote-4)

**21 NYCRR Part 508-Green Residential Building Program[[5]](#footnote-5)**

* Geothermal Heat pumps, day lighting, small hydroelectric, passive solar heat, solar water heat, solar space heat, photovoltaics
* $3.75 per sq. ft
* $5125 credit for single family, $13,375 credit for 11 unit building
* incentive for residential building owners
* NYC applicable
* credit for construction of building implementing renewable energy systems or substantial renovation implementing renewable energy systems
* budget of $16 million
* credit applicable to developer or builder owning occupancy certificates
* effective 9/22/2010

**Energy Conservation improvements Property Tax Exemption[[6]](#footnote-6)**

* energy conservation improvements to homes
* equipment insulation, biomass stoves, water heaters, furnaces, boilers, heat pumps, central air conditioners, programmable thermostats, energy mgmt, caulking/weather-stripping, duct/air sealing, building insulation, solar hydro energy systems
* exempt from real estate property action to extent that it would increase the value of the home
* 100% of value added to home
* exempt from municipal property taxes, school district taxes, special ad velorum taxes
* any federal or state tax exemption also covered under exemption of NY state property tax
* under federal energy efficiency tax credit
* enacted 1977

1. “Solar Energy” Times Topics. NY Times. April 1, 2010 [↑](#footnote-ref-1)
2. Laws of New York. State Energy Policy: Article 3 § 101. http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=$$ENG3-101$$@TXENG03-101+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=31992956+&TARGET=VIEW [↑](#footnote-ref-2)
3. 2 Personal Income Tax: Article 22 § 606 part 1. New York State Laws

   http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=$$TAXA22$$@TXTAX0A22+&LIST=LAW+&BROWSER=BROWSER+&TOKEN=18999179+&TARGET=VIEW [↑](#footnote-ref-3)
4. Residential Solar Tax credit: NY CLS Tax, Article 22 § 606

   http://www.dsireusa.org/incentives/incentive.cfm?Incentive\_Code=NY03F&re=1&ee=1 [↑](#footnote-ref-4)
5. NYSERDA: Green Residential Building Program. 21 NYCRR part 508

   http://www.dsireusa.org/incentives/incentive.cfm?Incentive\_Code=NY83F&re=1&ee=1 [↑](#footnote-ref-5)
6. Energy Conservation Improvements Property Tax Exemption. NY CLS Real Property Tax Law § 487-a

   http://www.dsireusa.org/incentives/incentive.cfm?Incentive\_Code=NY27F&re=1&ee=1 [↑](#footnote-ref-6)