S T A T E O F N E W Y O R K

149--B

2011-2012 Regular Sessions

I N S E N A T E

(PREFILED)

January 5, 2011

Introduced by Sens. MAZIARZ, MONTGOMERY -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to tax credits provided for solar energy system equipment

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Paragraphs 1 and 2 of subsection (g-1) of section 606 of the tax law, as amended by chapter 378 of the laws of 2005 and subparagraph (B) of paragraph 2 as amended by chapter 251 of the laws of 2006, is amended to read as follows:

(1) General. An individual taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty-five percent of qualified solar energy system equipment expenditures, EXCEPT AS PROVIDED IN SUBPARAGRAPH (D) OF PARAGRAPH TWO OF THIS SUBSECTION. This credit shall not exceed three thousand seven hundred fifty dollars for qualified solar energy equipment placed in service before September first, two thousand six, and five thousand dollars for qualified solar energy equipment placed in service on or after September first, two thousand six.

(2) Qualified solar energy system equipment expenditures. (A) The term "qualified solar energy system equipment expenditures" means expenditures for:

(I) the purchase of solar energy system equipment which is installed in connection with residential property which is [(i)] (I) located in this state and [(ii)] (II) which is used by the taxpayer as his or her

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

LBD00702-03-1

principal residence at the time the solar energy system equipment is placed in service;

(II) THE LEASE OF SOLAR ENERGY SYSTEM EQUIPMENT UNDER A WRITTEN AGREEMENT THAT SPANS AT LEAST TEN YEARS WHERE SUCH EQUIPMENT OWNED BY A PERSON OTHER THAN THE TAXPAYER IS INSTALLED IN CONNECTION WITH RESIDENTIAL PROPERTY WHICH IS (I) LOCATED IN THIS STATE AND (II) WHICH IS USED BY THE TAXPAYER AS HIS OR HER PRINCIPAL RESIDENCE AT THE TIME THE SOLAR ENERGY SYSTEM EQUIPMENT IS PLACED IN SERVICE; OR

(III) THE PURCHASE OF POWER UNDER A WRITTEN AGREEMENT THAT SPANS AT LEAST TEN YEARS WHEREUNDER THE POWER PURCHASED IS GENERATED BY SOLAR ENERGY SYSTEM EQUIPMENT OWNED BY A PERSON OTHER THAN THE TAXPAYER WHICH IS INSTALLED IN CONNECTION WITH RESIDENTIAL PROPERTY WHICH IS (I) LOCATED IN THIS STATE AND (II) WHICH IS USED BY THE TAXPAYER AS HIS OR HER PRINCIPAL RESIDENCE AT THE TIME THE SOLAR ENERGY SYSTEM EQUIPMENT IS PLACED IN SERVICE.

(B) Such qualified expenditures shall include expenditures for materials, labor costs properly allocable to on-site preparation, assembly and original installation, architectural and engineering services, and designs and plans directly related to the construction or installation of the solar energy system equipment.

(C) Such qualified expenditures FOR THE PURCHASE OF SOLAR ENERGY SYSTEM EQUIPMENT shall not include interest or other finance charges.

(D) SUCH QUALIFIED EXPENDITURES FOR THE LEASE OF SOLAR ENERGY SYSTEM EQUIPMENT OR THE PURCHASE OF POWER UNDER AN AGREEMENT DESCRIBED IN CLAUSES (II) OR (III) OF SUBPARAGRAPH (A) OF THIS PARAGRAPH SHALL INCLUDE AN AMOUNT EQUAL TO ALL PAYMENTS MADE DURING THE TAXABLE YEAR UNDER SUCH AGREEMENT. PROVIDED, HOWEVER, SUCH CREDITS SHALL ONLY BE ALLOWED FOR FOURTEEN YEARS AFTER THE FIRST TAXABLE YEAR IN WHICH SUCH CREDIT IS ALLOWED. PROVIDED FURTHER, HOWEVER, THE TWENTY-FIVE PERCENT LIMITATION IN PARAGRAPH ONE OF THIS SUBSECTION SHALL ONLY APPLY TO THE TOTAL AGGREGATE AMOUNT OF ALL PAYMENTS TO BE MADE PURSUANT TO AN AGREEMENT REFERENCED IN CLAUSES (II) OR (III) OF SUBPARAGRAPH (A) OF THIS PARAGRAPH, AND SHALL NOT APPLY TO INDIVIDUAL PAYMENTS MADE DURING A TAXABLE YEAR UNDER SUCH AGREEMENT EXCEPT TO THE EXTENT SUCH LIMITATION ON AN AGGREGATE BASIS HAS BEEN REACHED.

S 2. This act shall take effect immediately.