

STATE OF NEW YORK

5358

2025-2026 Regular Sessions

IN SENATE

February 20, 2025

Introduced by Sen. COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to establishing a sanitary sewer lateral pipe replacement or repair credit

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 606 of the tax law is amended by adding a new
2 subsection (bbb) to read as follows:

3 (bbb) Sanitary sewer lateral pipe replacement credit. (1) General. An
4 individual taxpayer shall be allowed a credit for taxable years begin-
5 ning on or after January first, two thousand twenty-six against the tax
6 imposed by this article for the costs to repair or replace a lateral
7 sanitary sewer pipe, when such repair or replacement is recommended by a
8 certified plumber or the presiding municipality. The amount of the cred-
9 it shall be twenty-five percent of the total cost of repair or removal.

10 (2) Lateral repair and replacement costs. (A) The term "costs of
11 replacement" includes the cost of an assessment from a plumber, any
12 initial appraisals, labor costs, disposal fees, and cleanup fees; except
13 any state or local sales tax applicable to the services performed. (B)
14 The term "costs of repair" includes the cost of an assessment from a
15 plumber, any initial appraisals, labor costs, disposal fees, and
16 follow-up fees; except any state or local sales tax applicable to the
17 services.

18 (3) Amount of credit. The aggregate amount of tax credits allowed
19 under this subsection in any calendar year statewide shall be five
20 million dollars.

21 (4) Lateral repair or replacement for qualified taxpayers. A property
22 owner who incurs costs for repairing or replacing lateral sewer pipes
23 must be replacing or repairing the lateral pipe located on a residential
24 property or mixed-use property, which is:

25 (A) located in this state;

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

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1 (B) owned by the taxpayer;

2 (C) used by the taxpayer as their principal residence; and

3 (D) owned by a taxpayer with a household income of less than two
4 hundred fifty thousand dollars.

5 (5) When credit allowed. The credit provided for in this subsection
6 shall be allowed with respect to the taxable year, commencing after
7 January first, two thousand twenty-seven in which the work is completed
8 and paid for.

9 (6) Carryover of credit. If the amount of the credit, and carryovers
10 of such credit, allowable under this subsection for any taxable year
11 shall exceed the taxpayer's tax for such year, such excess amount may be
12 carried over to the five taxable years next following the taxable year
13 with respect to which the credit is allowed and may be deducted from the
14 taxpayer's tax for such year or years.

15 § 2. This act shall take effect January 1, 2027, and shall apply to
16 taxable years commencing on or after such effective date.