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

8025

I N S E N A T E

June 2, 2010

Introduced by Sen. MAZIARZ -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

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. Paragraph 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) as amended by chapter 251 of the laws of 2006, is amended to read as follows:

(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 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

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

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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 TO BE MADE UNDER SUCH AGREEMENT FOR THE INITIAL TERM OF SUCH AGREEMENT, INCLUDING ANY AMOUNTS PAID UPFRONT.

(E) THE TERM "PERSON", AS USED IN THIS SECTION, SHALL HAVE THE SAME MEANING AS PROVIDED IN INTERNAL REVENUE CODE S 7701 (C)(1).

S 2. This act shall take effect immediately.