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

7317

I N S E N A T E

May 2, 2012

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 and the real property tax law, in relation to establishing the carbon emissions reduction credit and the multiple dwelling carbon emissions reduction tax abatement

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

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

(UU) CARBON EMISSIONS REDUCTION CREDIT. (1) ALLOWANCE OF CREDIT. SUBJECT TO APPROVAL BY THE COMMISSION PURSUANT TO PARAGRAPH FOUR OF THIS SUBSECTION, A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR COSTS INCURRED ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION BY SUCH TAXPAYER, WHICH ARE DIRECTLY ASSOCIATED WITH THE CONVERSION OF A HOME HEATING SYSTEM FROM ONE THAT BURNS NUMBER FOUR OR NUMBER SIX FUEL OIL TO ONE THAT BURNS A LESS CARBON-INTENSE FUEL OR UTILIZES A RENEWABLE ENERGY SOURCE, IN HIS OR HER PRINCIPAL RESIDENCE, IF SUCH RESIDENCE IS A SINGLE FAMILY DWELLING LOCATED IN THIS STATE. THE AMOUNT OF THE CREDIT SHALL BE EQUAL TO TWO THOUSAND DOLLARS, TOWARDS THE TOTAL COST OF DESIGNATING, PURCHASING AND INSTALLING SUCH A HEATING SYSTEM, WHICH COST SHALL INCLUDE THE DECOMMISSIONING AND REMOVAL OF EXISTING EQUIPMENT.

(2) MULTIPLE TAXPAYERS. IF THE PRINCIPAL RESIDENCE IS SHARED BY TWO OR MORE TAXPAYERS, THE AMOUNT OF THE CREDIT ALLOWABLE UNDER THIS SUBSECTION FOR EACH SUCH ELIGIBLE TAXPAYER SHALL BE PRORATED ACCORDING TO THE PERCENTAGE OF THE TOTAL EXPENDITURE FOR SUCH CONVERSION INCURRED BY EACH TAXPAYER.

(3) DEFINITIONS AND GUIDELINES. (A) THE PRESIDENT OF THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY SHALL PROVIDE DEFINITIONS AND GUIDELINES FOR THE ELIGIBILITY OF HEATING SYSTEMS THAT BURN LESS CARBON-INTENSE FUELS OR UTILIZE RENEWABLE ENERGY SOURCES, AS DESCRIBED IN PARAGRAPH ONE OF THIS SUBSECTION, AND SHALL SET MINIMUM PERFORMANCE STANDARDS FOR SUCH SYSTEMS, PROVIDED THAT:

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

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(I) LESS-CARBON INTENSE FUEL SHALL INCLUDE ONLY NUMBER TWO FUEL OIL, BIOFUELS/BIODIESEL BLENDS, REVENUE-GRADE WASTE GAS FROM LANDFILLS AND DIGESTERS AND PROPANE WOODY BIOMASS; PROVIDED, HOWEVER, THAT NUMBER FOUR FUEL OIL SHALL NOT QUALIFY AS A LESS-CARBON INTENSE FUEL.

(II) RENEWABLE ENERGY SOURCES SHALL INCLUDE, BUT SHALL NOT BE LIMITED TO, SOLAR THERMAL AND GEOTHERMAL SYSTEMS.

(B) FOR PURPOSES OF THIS SUBDIVISION, "PRINCIPAL RESIDENCE" MEANS THE RESIDENTIAL PROPERTY WHERE THE TAXPAYER HAS HIS OR HER TRUE, FIXED, AND PERMANENT HOME TO WHICH, WHENEVER ABSENT HE OR SHE INTENDS TO RETURN. IN ORDER TO VERIFY A TAXPAYER'S CLAIM THAT A PARTICULAR PROPERTY IS A PRINCIPAL RESIDENCE, THE COMMISSION MAY ACCEPT VARIOUS DOCUMENTS THAT, TAKEN TOGETHER, ESTABLISH THAT THE TAXPAYER CLAIMING THE CREDIT PROVIDED BY THIS SUBDIVISION OCCUPIES THE PROPERTY AS A PRINCIPAL RESIDENCE, INCLUDING, BUT NOT LIMITED TO, THE TAXPAYER'S DRIVER'S LICENSE, VOTER REGISTRATION CARD, CANCELLED CHECKS LISTING THE PROPERTY ADDRESS, STATEMENTS SUCH AS MEDICAL, BANK OR CHARGE ACCOUNTS OR INCOME TAX RECORDS INDICATING THE MAILING ADDRESS AND INSURANCE POLICIES.

(4) APPLICATION FOR CREDIT. SUCH CREDIT SHALL BE GRANTED ONLY UPON APPLICATION BY THE ELIGIBLE TAXPAYER OR TAXPAYERS ON A FORM PRESCRIBED BY THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY AND AFTER INSPECTION BY SUCH AUTHORITY, THE RESULTS OF WHICH SHALL BE SET FORTH IN A REPORT PREPARED THEREBY. THE APPLICATION SHALL REQUIRE SUBMISSION OF DOCUMENTATION OF THE CONVERSION, INCLUDING INVOICES FOR ANY SERVICES USED AND CONTRACTED AND EQUIPMENT INSTALLED OR ADDED, AS WELL AS ANY CONTRACTS WITH A HEATING SUPPLIER. THE APPLICATION AND INSPECTION REPORT SHALL BE FILED WITH THE TAX COMMISSION ON OR BEFORE THE LAST DAY OF THE APPLICABLE TAXABLE YEAR, WHO SHALL APPROVE OR DISAPPROVE SUCH APPLICATION. A COPY OF SUCH APPLICATION SHALL BE FILED WITH THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY.

(5) APPLICATION OF CREDIT. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

S 2. The real property tax law is amended by adding a new section 421-n to read as follows:

S 421-N. MULTIPLE DWELLING CARBON EMISSIONS REDUCTION TAX ABATEMENT. 1. ANY OWNER OF A MULTIPLE DWELLING BUILDING WITH AT LEAST FIVE UNITS, THE HEATING SYSTEM OF WHICH HAS BEEN CONVERTED FROM ONE THAT BURNS NUMBER FOUR OR NUMBER SIX FUEL OIL TO ONE THAT BURNS A LESS CARBON-INTENSE FUEL OR UTILIZES A RENEWABLE ENERGY SOURCE ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION SHALL RECEIVE AN ABATEMENT OF TAXES ON SUCH REAL PROPERTY WITH RESPECT TO THE TAXABLE YEAR IN WHICH SUCH CONVERSION WAS COMPLETED, EQUALING THE LESSER OF (A) EIGHTY PERCENT, UP TO ONE HUNDRED SEVENTY THOUSAND DOLLARS, TOWARDS THE TOTAL PROJECT COST OF DESIGNING, PURCHASING AND INSTALLING SUCH A HEATING SYSTEM, WHICH COST SHALL INCLUDE THE DECOMMISSIONING AND REMOVAL OF EXISTING EQUIPMENT, OR (B) THE AMOUNT OF TAXES PAYABLE IN SUCH YEAR; PROVIDED THAT THE GOVERNING BODY OF A CITY, VILLAGE, TOWN OR COUNTY, AFTER PUBLIC HEARING, ADOPTS A LOCAL LAW, ORDINANCE OR RESOLUTION PROVIDING THEREFOR.

2. THE PRESIDENT OF THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY SHALL PROVIDE DEFINITIONS AND GUIDELINES FOR THE ELIGIBILITY OF HEATING SYSTEMS THAT BURN LESS CARBON-INTENSE FUELS OR UTILIZE RENEWABLE ENERGY SOURCES, AS DESCRIBED IN SUBDIVISION ONE OF THIS SECTION,

AND SHALL SET MINIMUM PERFORMANCE STANDARDS FOR SUCH SYSTEMS, PROVIDED THAT:

(A) LESS-CARBON INTENSE FUEL SHALL INCLUDE ONLY NUMBER TWO FUEL OIL, BIOFUELS/BIODIESEL BLENDS, REVENUE-GRADE WASTE GAS FROM LANDFILLS AND DIGESTERS AND PROPANE WOODY BIOMASS; PROVIDED, HOWEVER, THAT NUMBER FOUR FUEL OIL SHALL NOT QUALIFY AS A LESS-CARBON INTENSE FUEL.

(B) RENEWABLE ENERGY SOURCES SHALL INCLUDE, BUT SHALL NOT BE LIMITED TO, SOLAR THERMAL AND GEOTHERMAL SYSTEMS.

3. SUCH EXEMPTION SHALL BE GRANTED ONLY UPON APPLICATION BY THE OWNER OF SUCH BUILDING ON A FORM PRESCRIBED BY THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY AND AFTER INSPECTION BY SUCH AUTHORITY, THE RESULTS OF WHICH SHALL BE SET FORTH IN A REPORT PREPARED THEREBY. THE APPLICATION SHALL REQUIRE SUBMISSION OF DOCUMENTATION OF THE CONVERSION, INCLUDING INVOICES FOR ANY SERVICES USED AND CONTRACTED AND EQUIPMENT INSTALLED OR ADDED, AS WELL AS ANY CONTRACTS WITH A HEATING SUPPLIER. THE APPLICATION AND INSPECTION REPORT SHALL BE FILED WITH THE ASSESSOR OF THE APPROPRIATE COUNTY, CITY, TOWN OR VILLAGE ON OR BEFORE THE APPROPRIATE TAXABLE STATUS DATE OF SUCH COUNTY, CITY, TOWN OR VILLAGE. A COPY OF SUCH APPLICATION SHALL BE FILED WITH THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY.

4. IF SATISFIED THAT THE APPLICANT IS ENTITLED TO AN EXEMPTION PURSUANT TO THIS SECTION, THE ASSESSOR SHALL APPROVE THE APPLICATION AND SUCH BUILDING SHALL THEREAFTER BE EXEMPT FROM TAXATION AND SPECIAL AD VALOREM LEVIES AS PROVIDED IN THIS SECTION COMMENCING WITH THE ASSESSMENT ROLL PREPARED ON THE BASIS OF THE TAXABLE STATUS DATE REFERRED TO IN SUBDIVISION THREE OF THIS SECTION. THE ASSESSED VALUE OF ANY EXEMPTION GRANTED PURSUANT TO THIS SECTION SHALL BE ENTERED BY THE ASSESSOR ON THE ASSESSMENT ROLL WITH THE TAXABLE PROPERTY, WITH THE AMOUNT OF THE EXEMPTION SHOWN IN A SEPARATE COLUMN.

S 3. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2013.