

4192

2011-2012 Regular Sessions

I N   S E N A T E

March 23, 2011

---

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 providing a tax deduction for the installation of mechanical insulation property

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

1     Section 1. Subsection (c) of section 612 of the tax law is amended by  
2     adding a new paragraph 27 to read as follows:  
3     (27) THE APPLICABLE PERCENTAGE OF THE COST OF MECHANICAL INSULATION  
4     PROPERTY PLACED IN SERVICE DURING THE TAXABLE YEAR.  
5     (A) FOR THE PURPOSES OF THIS PARAGRAPH:  
6     (I) "APPLICABLE PERCENTAGE" SHALL MEAN THE LESSER OF:  
7     (I) THIRTY PERCENT OF THE COST OF THE MECHANICAL INSULATION PROPERTY  
8     PLACED IN SERVICE; OR  
9     (II) THE EXCESS, IF ANY, OF (A) THE ENERGY SAVINGS, EXPRESSED AS A  
10    PERCENTAGE, OBTAINED BY PLACING SUCH MECHANICAL INSULATION PROPERTY IN  
11    SERVICE IN CONNECTION WITH A MECHANICAL SYSTEM, OVER (B) THE ENERGY  
12    SAVINGS, EXPRESSED AS A PERCENTAGE, SUCH PROPERTY IS REQUIRED TO MEET BY  
13    STANDARD 90.1-2007, DEVELOPED AND PUBLISHED BY THE AMERICAN SOCIETY OF  
14    HEATING, REFRIGERATING AND AIR-CONDITIONING ENGINEERS.  
15    (II) "COST" SHALL INCLUDE:  
16    (I) THE AMOUNTS PAID OR INCURRED FOR THE INSTALLATION OF SUCH MECHAN-  
17    ICAL INSULATION PROPERTY;  
18    (II) EXPENDITURES FOR LABOR COSTS PROPERLY ALLOCABLE TO THE PREPARA-  
19    TION, ASSEMBLY AND INSTALLATION OF MECHANICAL INSULATION PROPERTY; AND  
20    (III) IN THE CASE OF REMOVAL AND DISPOSAL OF THE OLD MECHANICAL INSU-  
21    LATION PROPERTY, THIRTY PERCENT OF THE COST OF THE NEW MECHANICAL INSU-  
22    LATION PROPERTY, DETERMINED WITHOUT REGARD TO THE TAX CREDIT AUTHORIZED  
23    BY THIS SUBSECTION.

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

LBD09957-02-1

1 (III) "MECHANICAL INSULATION PROPERTY" SHALL MEAN INSULATION MATERI-  
2 ALS, FACINGS AND ACCESSORY PRODUCTS:

3 (I) PLACED IN SERVICE IN CONNECTION WITH A MECHANICAL SYSTEM WHICH IS  
4 LOCATED IN THE STATE OF NEW YORK AND IS OF A CHARACTER SUBJECT TO AN  
5 ALLOWANCE FOR DEPRECIATION; AND

6 (II) UTILIZED FOR THERMAL, ACOUSTICAL AND PERSONNEL SAFETY REQUIRE-  
7 MENTS FOR MECHANICAL PIPING AND EQUIPMENT, HOT AND COLD APPLICATIONS,  
8 AND HEATING, VENTING AND AIR CONDITIONING APPLICATIONS WHICH CAN BE USED  
9 IN VARIETY OF FACILITIES.

10 (B) IN THE CASE OF MECHANICAL INSULATION PROPERTY PLACED IN SERVICE AS  
11 A REPLACEMENT FOR INSULATION PROPERTY, SUBCLAUSE (II) OF CLAUSE (I) OF  
12 SUBPARAGRAPH (A) OF THIS PARAGRAPH SHALL BE APPLIED WITHOUT REGARD TO  
13 ITEM (B) THEREOF.

14 (C) THE AMOUNT OF ANY OTHER CREDIT OR DEDUCTION ALLOWABLE UNDER THIS  
15 CHAPTER FOR ANY COST OF MECHANICAL INSULATION PROPERTY WHICH IS TAKEN  
16 INTO ACCOUNT UNDER PARAGRAPH ONE OF THIS SUBSECTION SHALL BE REDUCED BY  
17 THE AMOUNT OF SUCH COST SO TAKEN INTO ACCOUNT; PROVIDED, HOWEVER, THAT  
18 THIS PARAGRAPH SHALL NOT APPLY TO ANY AMOUNT PROPERLY ATTRIBUTABLE TO  
19 MAINTENANCE.

20 (D) IN THE CASE OF MECHANICAL INSULATION PROPERTY INSTALLED ON OR IN  
21 PROPERTY OWNED BY AN ENTITY DESCRIBED IN PARAGRAPH THREE OR FOUR OF  
22 SECTION 50(B) OF THE INTERNAL REVENUE CODE, THE PERSON WHO IS THE PRIMA-  
23 RY CONTRACTOR FOR THE INSTALLATION OF SUCH PROPERTY SHALL BE TREATED AS  
24 THE TAXPAYER THAT PLACED SUCH PROPERTY IN SERVICE.

25 (E) FOR THE PURPOSES OF THIS SUBSECTION, ENERGY SAVINGS SHALL BE  
26 CERTIFIED UNDER REGULATIONS OR OTHER GUIDANCE PROVIDED BY THE DEPARTMENT  
27 OF ENVIRONMENTAL CONSERVATION.

28 S 2. This act shall take effect on the one hundred twentieth day after  
29 it shall have become a law and shall apply to taxable years commencing  
30 on or after such effective date; provided, however, that effective imme-  
31 diately, the addition, amendment and/or repeal of any rule or regulation  
32 necessary for the implementation of this act on its effective date are  
33 authorized and directed to be made and completed on or before such  
34 effective date.