

2177

2015-2016 Regular Sessions

I N A S S E M B L Y

January 15, 2015

Introduced by M. of A. RYAN -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to establishing a credit for geothermal energy systems

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 (g-3) to read as follows:

3 (G-3) CREDIT FOR GEOTHERMAL ENERGY SYSTEMS. (1) A TAXPAYER SHALL BE  
4 ALLOWED A CREDIT FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST,  
5 TWO THOUSAND SIXTEEN AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR THE  
6 PURCHASE AND INSTALLATION OF A GEOTHERMAL ENERGY SYSTEM BY A TAXPAYER IN  
7 HIS OR HER PRINCIPAL RESIDENCE, IF SUCH RESIDENCE IS LOCATED WITHIN THE  
8 STATE. THE AMOUNT OF THE CREDIT SHALL BE FIFTY PERCENT OF THE EXPENDI-  
9 TURE INCURRED IN PURCHASING AND INSTALLING ANY SUCH SYSTEM OR COMBINA-  
10 TION THEREOF, BUT NOT TO EXCEED THE MAXIMUM CREDIT OF FIVE THOUSAND  
11 DOLLARS.

12 (2) A GEOTHERMAL ENERGY SYSTEM IS A SYSTEM WHOSE ORIGINAL USE BEGINS  
13 WITH THE TAXPAYER; WHICH MEETS THE ELIGIBILITY CRITERIA, IF ANY,  
14 PRESCRIBED BY THE DEPARTMENT; AND WHICH IS A GROUND COUPLED SOLAR THER-  
15 MAL SYSTEM THAT UTILIZES THE SOLAR THERMAL ENERGY STORED IN THE GROUND  
16 OR IN BODIES OF WATER TO PRODUCE HEAT, AND WHICH IS COMMONLY KNOWN AS OR  
17 REFERRED TO AS A GROUND SOURCE HEAT PUMP SYSTEM.

18 (3) WHERE A GEOTHERMAL ENERGY SYSTEM IS PURCHASED AND INSTALLED BY A  
19 CONDOMINIUM MANAGEMENT ASSOCIATION OR A COOPERATIVE HOUSING CORPORATION,  
20 A TAXPAYER WHO IS A MEMBER OF THE CONDOMINIUM MANAGEMENT ASSOCIATION OR  
21 WHO IS A TENANT-STOCKHOLDER IN THE COOPERATIVE HOUSING CORPORATION MAY  
22 FOR THE PURPOSE OF THIS SUBSECTION CLAIM A PROPORTIONATE SHARE OF THE  
23 TOTAL EXPENSE AS THE EXPENDITURE FOR THE PURPOSES OF THE CREDIT ATTRIB-  
24 UTABLE TO HIS OR HER PRINCIPAL RESIDENCE.

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

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1 (4) WHERE A GEOTHERMAL ENERGY SYSTEM IS PURCHASED AND INSTALLED IN A  
2 PRINCIPAL RESIDENCE SHARED BY TWO OR MORE TAXPAYERS THE AMOUNT OF THE  
3 CREDIT ALLOWABLE UNDER THIS SUBSECTION FOR EACH SUCH TAXPAYER SHALL BE  
4 PRORATED ACCORDING TO THE PERCENTAGE OF THE TOTAL EXPENDITURE FOR SUCH  
5 SYSTEM CONTRIBUTED BY EACH TAXPAYER.

6 (5) TO THE EXTENT THAT A FEDERAL INCOME TAX CREDIT SHALL APPLY TO  
7 EXPENDITURES ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION, THE CREDIT  
8 PROVIDED IN THIS SUBSECTION SHALL BE REDUCED SO THAT THE COMBINED CREDIT  
9 SHALL NOT EXCEED SEVENTY-FIVE PERCENT OF SUCH EXPENDITURES OR SEVEN  
10 THOUSAND FIVE HUNDRED DOLLARS, WHICHEVER IS LESS.

11 (6) IF THE AMOUNT OF CREDIT ALLOWABLE UNDER THIS SUBSECTION SHALL  
12 EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS MAY BE CARRIED OVER  
13 TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S  
14 TAX FOR SUCH YEAR OR YEARS.

15 (7) IF ALL OR ANY PART OF THE CREDIT PROVIDED FOR UNDER THIS  
16 SUBSECTION WAS ALLOWED OR CARRIED OVER FROM A PRIOR TAXABLE YEAR OR  
17 YEARS, A TAXPAYER SHALL REDUCE THE ALLOWABLE CREDIT FOR ADDITIONAL QUAL-  
18 IFYING EXPENDITURES IN A SUBSEQUENT TAX YEAR BY THE AMOUNT OF THE CREDIT  
19 PREVIOUSLY ALLOWED OR CARRIED OVER; PROVIDED HOWEVER THAT A CREDIT  
20 PREVIOUSLY ALLOWED OR CARRIED OVER FROM A PRIOR TAXABLE YEAR OR YEARS  
21 SHALL NOT BE TAKEN INTO ACCOUNT IN DETERMINING THE ALLOWABLE CREDIT FOR  
22 THE PURCHASE AND INSTALLATION OF A GEOTHERMAL ENERGY SYSTEM IN A SUBSE-  
23 QUENT PRINCIPAL RESIDENCE.

24 (8) FOR THE PURPOSE OF DETERMINING THE AMOUNT OF THE ACTUAL EXPENDI-  
25 TURE INCURRED IN PURCHASING AND INSTALLING A GEOTHERMAL ENERGY SYSTEM,  
26 THE AMOUNT OF ANY FEDERAL, STATE OR LOCAL GRANT RECEIVED BY THE TAXPAY-  
27 ER, WHICH WAS USED FOR THE PURCHASE AND/OR INSTALLATION OF SUCH SYSTEM  
28 AND WHICH WAS NOT INCLUDED IN THE GROSS INCOME OF THE TAXPAYER, SHALL  
29 NOT BE TAKEN INTO ACCOUNT.

30 (9) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, IF A CREDIT IS ALLOWED  
31 UNDER THIS SUBSECTION FOR A RENEWABLE ENERGY SYSTEM WITH RESPECT TO ANY  
32 PROPERTY, THE INCREASE IN THE BASIS OF SUCH PROPERTY WHICH WOULD BUT FOR  
33 THIS SUBSECTION RESULT FROM SUCH EXPENDITURE SHALL BE REDUCED BY THE  
34 AMOUNT OF THE CREDIT ALLOWED. WHEN THE SALE OR OTHER DISPOSITION OF SUCH  
35 PROPERTY RESULTS IN THE NONRECOGNITION OF GAIN UNDER SECTION ONE THOU-  
36 SAND THIRTY-FOUR OF THE INTERNAL REVENUE CODE, A LIKE REDUCTION SHALL BE  
37 MADE TO THE BASIS OF THE NEW RESIDENCE, IF SUCH RESIDENCE IS LOCATED  
38 WITHIN THE STATE.

39 S 2. This act shall take effect immediately and shall apply to taxable  
40 years commencing on and after January 1, 2016.