

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

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

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

(7) IF ALL OR ANY PART OF THE CREDIT PROVIDED FOR UNDER THIS SUBSECTION WAS ALLOWED OR CARRIED OVER FROM A PRIOR TAXABLE YEAR OR YEARS, A TAXPAYER SHALL REDUCE THE ALLOWABLE CREDIT FOR ADDITIONAL QUALIFYING EXPENDITURES IN A SUBSEQUENT TAX YEAR BY THE AMOUNT OF THE CREDIT PREVIOUSLY ALLOWED OR CARRIED OVER; PROVIDED HOWEVER THAT A CREDIT PREVIOUSLY ALLOWED OR CARRIED OVER FROM A PRIOR TAXABLE YEAR OR YEARS SHALL NOT BE TAKEN INTO ACCOUNT IN DETERMINING THE ALLOWABLE CREDIT FOR THE PURCHASE AND INSTALLATION OF A GEOTHERMAL ENERGY SYSTEM IN A SUBSEQUENT PRINCIPAL RESIDENCE.

(8) FOR THE PURPOSE OF DETERMINING THE AMOUNT OF THE ACTUAL EXPENDITURE INCURRED IN PURCHASING AND INSTALLING A GEOTHERMAL ENERGY SYSTEM, THE AMOUNT OF ANY FEDERAL, STATE OR LOCAL GRANT RECEIVED BY THE TAXPAYER, WHICH WAS USED FOR THE PURCHASE AND/OR INSTALLATION OF SUCH SYSTEM AND WHICH WAS NOT INCLUDED IN THE GROSS INCOME OF THE TAXPAYER, SHALL NOT BE TAKEN INTO ACCOUNT.

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

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