

691

2015-2016 Regular Sessions

I N A S S E M B L Y

January 7, 2015

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

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 ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. Paragraph (a) of subdivision 9 of section 208 of the tax
2 law is amended by adding a new subparagraph 20 to read as follows:
3 (20) THE APPLICABLE PERCENTAGE OF THE COST OF MECHANICAL INSULATION
4 PROPERTY INSTALLED IN REAL PROPERTY LOCATED IN THIS STATE DURING THE
5 TAXABLE YEAR.
6 (A) DEFINITIONS. FOR PURPOSES OF THIS SUBPARAGRAPH, THE FOLLOWING
7 DEFINITIONS SHALL APPLY: (I) "APPLICABLE PERCENTAGE" SHALL MEAN THE
8 LESSER OF: (I) THIRTY PERCENT OF THE COST OF THE MECHANICAL INSULATION
9 PROPERTY PLACED IN SERVICE; OR (II) THE EXCESS, IF ANY, OF (A) THE ENER-
10 GY SAVINGS, EXPRESSED AS A PERCENTAGE, OBTAINED BY PLACING SUCH MECHAN-
11 ICAL INSULATION PROPERTY IN SERVICE IN CONNECTION WITH A MECHANICAL
12 SYSTEM, OVER (B) THE ENERGY SAVINGS, EXPRESSED AS A PERCENTAGE, SUCH
13 PROPERTY IS REQUIRED TO MEET BY STANDARD 90.1-2007, DEVELOPED AND
14 PUBLISHED BY THE AMERICAN SOCIETY OF HEATING, REFRIGERATING AND AIR-CON-
15 DITIONING ENGINEERS.
16 (II) "COST" SHALL MEAN (I) THE AMOUNTS PAID DURING THE TAXABLE YEAR
17 FOR THE PURCHASE OF MECHANICAL INSULATION PROPERTY THAT IS INSTALLED
18 DURING THE TAXABLE YEAR AND (II) LABOR COSTS PAID DURING THE TAXABLE
19 YEAR THAT ARE PROPERLY ALLOCABLE TO THE PREPARATION, ASSEMBLY AND
20 INSTALLATION OF MECHANICAL INSULATION PROPERTY; PROVIDED, HOWEVER, IN
21 THE CASE OF REMOVAL AND DISPOSAL OF THE OLD MECHANICAL INSULATION PROP-
22 erty, COST SHALL MEAN THIRTY PERCENT OF THE COST FOR PURCHASE OF THE NEW
23 MECHANICAL INSULATION PROPERTY, AND PROVIDED, FURTHER, THAT IF THE
24 TAXPAYER CLAIMS THE EXCLUSION PROVIDED BY THIS SUBPARAGRAPH THE TAXPAYER
25 SHALL EXCLUDE ALL AMOUNTS INCLUDED IN THE EXCLUSION COMPUTATION PURSUANT

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

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1 TO THIS SUBPARAGRAPH FROM THE COMPUTATION OF ANY OTHER EXCLUSION,
2 DEDUCTION OR CREDIT PROVIDED BY THIS CHAPTER. THE TERM COST SHALL NOT
3 INCLUDE ANY AMOUNT PROPERLY ATTRIBUTABLE TO MAINTENANCE.

4 (III) "MECHANICAL INSULATION PROPERTY" SHALL MEAN INSULATION MATERI-
5 ALS, FACINGS AND ACCESSORY PRODUCTS (I) PLACED IN SERVICE IN CONNECTION
6 WITH A MECHANICAL SYSTEM WHICH IS LOCATED IN THE STATE OF NEW YORK AND
7 IS OF A CHARACTER SUBJECT TO AN ALLOWANCE FOR DEPRECIATION; AND (II)
8 UTILIZED FOR THERMAL, ACOUSTICAL AND PERSONNEL SAFETY REQUIREMENTS FOR
9 MECHANICAL PIPING AND EQUIPMENT, HOT AND COLD APPLICATIONS, AND HEATING,
10 VENTING AND AIR CONDITIONING APPLICATIONS WHICH CAN BE USED IN A VARIETY
11 OF FACILITIES.

12 (B) FOR THE PURPOSES OF THIS SUBPARAGRAPH, ENERGY SAVINGS SHALL BE
13 COMPUTED PURSUANT TO THE REGULATIONS PROMULGATED BY THE COMMISSIONER OF
14 THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION, IN CONSULTATION WITH
15 NYSERDA.

16 S 2. Subsection (c) of section 612 of the tax law is amended by adding
17 a new paragraph 27 to read as follows:

18 (27) THE APPLICABLE PERCENTAGE OF THE COST OF MECHANICAL INSULATION
19 PROPERTY INSTALLED IN REAL PROPERTY LOCATED IN THIS STATE DURING THE
20 TAXABLE YEAR.

21 (A) DEFINITIONS. FOR PURPOSES OF THIS PARAGRAPH, THE FOLLOWING DEFINI-
22 TIONS SHALL APPLY:

23 (I) "APPLICABLE PERCENTAGE" SHALL MEAN THE LESSER OF:

24 (I) THIRTY PERCENT OF THE COST OF THE MECHANICAL INSULATION PROPERTY
25 PLACED IN SERVICE; OR

26 (II) THE EXCESS, IF ANY, OF (A) THE ENERGY SAVINGS, EXPRESSED AS A
27 PERCENTAGE, OBTAINED BY PLACING SUCH MECHANICAL INSULATION PROPERTY IN
28 SERVICE IN CONNECTION WITH A MECHANICAL SYSTEM, OVER (B) THE ENERGY
29 SAVINGS, EXPRESSED AS A PERCENTAGE, SUCH PROPERTY IS REQUIRED TO MEET BY
30 STANDARD 90.1-2007, DEVELOPED AND PUBLISHED BY THE AMERICAN SOCIETY OF
31 HEATING, REFRIGERATING AND AIR-CONDITIONING ENGINEERS.

32 (II) "COST" SHALL MEAN (I) THE AMOUNTS PAID DURING THE TAXABLE YEAR
33 FOR THE PURCHASE OF MECHANICAL INSULATION PROPERTY THAT IS INSTALLED
34 DURING THE TAXABLE YEAR, AND (II) FOR LABOR COSTS PAID DURING THE TAXA-
35 BLE YEAR THAT ARE PROPERLY ALLOCABLE TO THE PREPARATION, ASSEMBLY AND
36 INSTALLATION OF MECHANICAL INSULATION PROPERTY, PROVIDED, HOWEVER, IN
37 THE CASE OF REMOVAL AND DISPOSAL OF THE OLD MECHANICAL INSULATION PROP-
38 erty, COST SHALL MEAN THIRTY PERCENT OF THE COST FOR PURCHASE OF THE NEW
39 MECHANICAL INSULATION PROPERTY, AND PROVIDED, FURTHER, THAT IF THE
40 TAXPAYER CLAIMS THE EXCLUSION PROVIDED BY THIS SUBPARAGRAPH THE TAXPAYER
41 SHALL EXCLUDE ALL AMOUNTS INCLUDED IN THE EXCLUSION COMPUTATION PURSUANT
42 TO THIS SUBPARAGRAPH FROM THE COMPUTATION OF ANY OTHER EXCLUSION,
43 DEDUCTION OR CREDIT PROVIDED BY THIS CHAPTER. THE TERM COST SHALL NOT
44 INCLUDE ANY AMOUNT PROPERLY ATTRIBUTABLE TO MAINTENANCE.

45 (III) "MECHANICAL INSULATION PROPERTY" SHALL MEAN INSULATION MATERI-
46 ALS, FACINGS AND ACCESSORY PRODUCTS (I) PLACED IN SERVICE IN CONNECTION
47 WITH A MECHANICAL SYSTEM WHICH IS LOCATED IN THE STATE OF NEW YORK AND
48 IS OF A CHARACTER SUBJECT TO AN ALLOWANCE FOR DEPRECIATION; AND (II)
49 UTILIZED FOR THERMAL, ACOUSTICAL AND PERSONNEL SAFETY REQUIREMENTS FOR
50 MECHANICAL PIPING AND EQUIPMENT, HOT AND COLD APPLICATIONS, AND HEATING,
51 VENTING AND AIR CONDITIONING APPLICATIONS WHICH CAN BE USED IN A VARIETY
52 OF FACILITIES.

53 (B) FOR THE PURPOSES OF THIS PARAGRAPH, ENERGY SAVINGS SHALL BE
54 COMPUTED PURSUANT TO THE REGULATIONS PROMULGATED BY THE COMMISSIONER OF
55 THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION, IN CONSULTATION WITH
56 NYSERDA.

1 S 3. This act shall take effect on the one hundred twentieth day after
2 it shall have become a law and shall apply to taxable years commencing
3 on or after such effective date; provided, however, that effective imme-
4 diately, the addition, amendment and/or repeal of any rule or regulation
5 necessary for the implementation of this act on its effective date are
6 authorized and directed to be made and completed on or before such
7 effective date.