

2506--A

2015-2016 Regular Sessions

I N   S E N A T E

January 26, 2015

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Introduced by Sens. PARKER, COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- recommended to the Committee on Finance in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public authorities law, the state finance law and the tax law, in relation to development of biomethane as a fuel alternative and creating the biomethane fuel incentive fund; and making an appropriation therefor

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

1     Section 1. The public authorities law is amended by adding a new  
2     section 1884 to read as follows:  
3     S 1884. BIOMETHANE GRANTS. THE NEW YORK STATE ENERGY RESEARCH AND  
4     DEVELOPMENT AUTHORITY SHALL:  
5     1. OVERSEE AND PROMOTE RESEARCH AND DEVELOPMENT REGARDING FUEL DIVER-  
6     SIFICATION AND ENERGY EFFICIENCY IN THE TRANSPORTATION SECTOR; AND  
7     2. PROVIDE GRANTS FOR:  
8     (A) THE COMPONENTS OF THE BIOMETHANE FUEL PATHWAY, INCLUDING THE  
9     COMPONENTS REQUIRED TO PRODUCE BIOMETHANE, INCLUDING LAND, BIOGAS  
10    COLLECTION SYSTEMS, ANEROBIC DIGESTERS, AND BIOGAS REFINERY;  
11    (B) MUNICIPAL PURCHASES OF LIGHT-DUTY VEHICLES TO HEAVY-DUTY FREIGHT  
12    TRUCKS THAT USE BIOMETHANE; AND  
13    (C) INSTALLATION OF BIOMETHANE FUELING EQUIPMENT.  
14    S 2. Section 1851 of the public authorities law is amended by adding a  
15    new subdivision 19 to read as follows:  
16    19. "BIOMETHANE" SHALL MEAN BIOGASES THAT ARE EMITTED AS ORGANIC  
17    WASTES BREAK DOWN IN AIRLESS ENVIRONMENTS. BIOMETHANE IS PRODUCED FROM A  
18    VARIETY OF BIOMASS AND/OR BIOGAS SOURCES INCLUDING LANDFILL GAS, SOLID  
19    WASTE, MUNICIPAL WASTEWATER AND AGRICULTURAL MANURE VIA AIRLESS TANKS  
20    CALLED ANAEROBIC DIGESTERS. IT CAN ALSO BE PRODUCED FROM OTHER SOURCES

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

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1 SUCH AS FORESTRY AND AGRICULTURAL WASTE THROUGH THE PROCESS OF THERMAL  
2 GASIFICATION AND METHANATION, ALTHOUGH THESE TECHNOLOGIES ARE NOT YET  
3 WIDELY USED. BIOMETHANE IS A RENEWABLE FUEL, EASILY DISTRIBUTED THROUGH  
4 EXISTING INFRASTRUCTURE AND IS SUITABLE FOR APPLICATIONS FROM LIGHT-DUTY  
5 VEHICLES TO HEAVY-DUTY FREIGHT TRUCKS.

6 S 3. The state finance law is amended by adding a new section 99-y to  
7 read as follows:

8 S 99-Y. BIOMETHANE FUEL INCENTIVE FUND. 1. THERE IS HEREBY ESTABLISHED  
9 IN THE JOINT CUSTODY OF THE STATE COMPTROLLER AND THE COMMISSIONER OF  
10 TAXATION AND FINANCE A SPECIAL REVENUE FUND TO BE KNOWN AS THE "BIOMETH-  
11 ANE FUEL INCENTIVE FUND".

12 2. THE FUND SHALL CONSIST OF THE AMOUNT OF REVENUES FROM SALES TAXES  
13 IMPOSED ON THE RECEIPTS OF THE PRICE OF MOTOR AND DIESEL FUEL MORE THAN  
14 ONE DOLLAR OR EQUAL TO OR LESS THAN TWO DOLLARS.

15 3. MONIES OF THE FUND, WHEN ALLOCATED, SHALL BE DISBURSED FOR THE  
16 FOLLOWING PURPOSES:

17 (A) CREDITS AGAINST PERSONAL INCOME TAX AND CORPORATE FRANCHISE TAX  
18 FOR THE INSTALLATION OR CONVERSION OF FUELING STATIONS FOR BIOMETHANE  
19 FUELS;

20 (B) GRANTS FOR RESEARCH AND DEVELOPMENT IN REGARDS TO BIOMETHANE FUEL  
21 PRODUCTION AND USE IN THE TRANSPORTATION SECTOR;

22 (C) GRANTS FOR THE COMPONENTS OF THE BIOMETHANE FUEL PATHWAY, INCLUD-  
23 ING THE COMPONENTS REQUIRED TO PRODUCE BIOMETHANE, INCLUDING LAND,  
24 BIOGAS COLLECTION SYSTEMS, ANEROBIC DIGESTERS, AND BIOGAS REFINERY;

25 (D) GRANTS FOR MUNICIPAL PURCHASES OF LIGHT-DUTY VEHICLES TO HEAVY  
26 DUTY FREIGHT TRUCKS THAT USE BIOMETHANE FUEL;

27 (E) GRANTS FOR THE INSTALLATION OF BIOMETHANE FUELING EQUIPMENT; AND

28 (F) ADMINISTRATIVE COSTS BORNE BY THE DEPARTMENT OF TAXATION AND  
29 FINANCE AND THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORI-  
30 TY.

31 S 4. Section 1148 of the tax law, as amended by section 57 of part HH  
32 of chapter 57 of the laws of 2013, is amended to read as follows:

33 S 1148. Deposit and disposition of revenue. All taxes, interest and  
34 penalties collected or received by the commissioner under this article  
35 shall be deposited and disposed of pursuant to the provisions of section  
36 one hundred seventy-one-a of this chapter; provided however, the comp-  
37 troller shall on or before the twelfth day of each month, pay all such  
38 taxes, interest and penalties collected under this article and remaining  
39 to the comptroller's credit in such banks, banking houses or trust  
40 companies at the close of business on the last day of the preceding  
41 month, into the general fund of the state treasury, except as otherwise  
42 provided in sections ninety-two-d, ninety-two-h, [and] ninety-two-r AND  
43 NINETY-NINE-Y of the state finance law and sections eleven hundred two,  
44 eleven hundred four and eleven hundred nine of this article.

45 S 5. Section 606 of the tax law is amended by adding a new subsection  
46 (ccc) to read as follows:

47 (CCC) ALTERNATIVE FUEL CREDIT FOR INSTALLATION OR CONVERSION OF FUEL-  
48 ING STATIONS. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A  
49 CREDIT, TO BE COMPUTED HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY  
50 THIS ARTICLE FOR THE COST OF INSTALLATION CONSTRUCTION, RECONSTRUCTION  
51 OR ACQUISITION OF A BIOMETHANE FUEL REFUELING FACILITY THAT IS DIRECTLY  
52 ATTRIBUTABLE TO THE STORAGE, OR DISPENSING OF BIOMETHANE FUELS TO MOTOR  
53 VEHICLES. THE INCOME TAX CREDIT WOULD BE THIRTY PERCENT OF THE COSTS  
54 ASSOCIATED WITH SUCH EXPENSES.

55 (2) APPLICATION OF CREDIT. IF THE AMOUNT OF THE CREDIT ALLOWABLE UNDER  
56 THIS SUBSECTION FOR ANY TAXABLE YEAR EXCEEDS THE TAXPAYER'S TAX FOR SUCH

1 YEAR, FIFTY PERCENT OF THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF  
2 TAX TO BE CREDITED OR REFUNDED AS PROVIDED IN SECTION SIX HUNDRED EIGHT-  
3 Y-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID  
4 THEREON. THE BALANCE OF SUCH CREDIT NOT CREDITED OR REFUNDED IN SUCH  
5 TAXABLE YEAR MAY BE CARRIED OVER TO THE IMMEDIATELY SUCCEEDING TAXABLE  
6 YEAR AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR. THE  
7 EXCESS, IF ANY, OF THE AMOUNT OF THE CREDIT OVER THE TAX FOR SUCH  
8 SUCCEEDING YEAR SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED  
9 OR REFUNDED AS PROVIDED IN SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTI-  
10 CLE, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

11 S 6. Subparagraph (B) of paragraph 1 of subsection (i) of section 606  
12 of the tax law is amended by adding a new clause (xli) to read as  
13 follows:

14 (XLI) ALTERNATIVE FUEL CREDIT	AMOUNT OF CREDIT
15 FOR INSTALLATION OR	UNDER SUBDIVISION
16 CONSERVATION OF FUELING	FORTY-NINE OF SECTION
17 STATIONS UNDER SUBSECTION	TWO HUNDRED TEN-B
18 (CCC)	

19 S 7. Section 210-B of the tax law is amended by adding a new subdivi-  
20 sion 49 to read as follows:

21 49. ALTERNATIVE FUEL CREDIT FOR INSTALLATION OR CONVERSION OF FUELING  
22 STATIONS. (A) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT,  
23 TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS  
24 ARTICLE FOR THE COST OF INSTALLATION CONSTRUCTION, RECONSTRUCTION OR  
25 ACQUISITION OF AN ALTERNATIVE FUEL REFUELING FACILITY THAT IS DIRECTLY  
26 ATTRIBUTABLE TO THE STORAGE, COMPRESSION, CHARGING OR DISPENSING OF  
27 ALTERNATIVE FUELS TO MOTOR VEHICLES. THE INCOME TAX CREDIT SHALL BE  
28 THIRTY PERCENT OF THE COSTS ASSOCIATED WITH SUCH EXPENSES.

29 (B) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBDIVISION  
30 FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS  
31 THAN THE AMOUNT DESCRIBED IN PARAGRAPH (D) OF SUBDIVISION ONE OF THIS  
32 SECTION. IF THE AMOUNT OF THE CREDIT ALLOWABLE UNDER THIS SUBDIVISION  
33 FOR ANY TAXABLE YEAR EXCEEDS THE TAXPAYER'S TAX FOR SUCH YEAR, FIFTY  
34 PERCENT OF THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE  
35 CREDITED OR REFUNDED AS PROVIDED IN SECTION SIX HUNDRED EIGHTY-SIX OF  
36 THIS CHAPTER, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.  
37 THE BALANCE OF SUCH CREDIT NOT CREDITED OR REFUNDED IN SUCH TAXABLE YEAR  
38 MAY BE CARRIED OVER TO THE IMMEDIATELY SUCCEEDING TAXABLE YEAR AND MAY  
39 BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR. THE EXCESS, IF ANY,  
40 OF THE AMOUNT OF THE CREDIT OVER THE TAX FOR SUCH SUCCEEDING YEAR SHALL  
41 BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED AS  
42 PROVIDED IN SECTION SIX HUNDRED EIGHTY-SIX OF THIS CHAPTER, PROVIDED,  
43 HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

44 S 8. The tax law is amended by adding a new section 187-t to read as  
45 follows:

46 S 187-T. ALTERNATIVE FUEL CREDIT FOR INSTALLATION OR CONVERSION OF  
47 FUELING STATIONS. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A  
48 CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED  
49 BY THIS ARTICLE FOR THE COST OF INSTALLATION CONSTRUCTION, RECON-  
50 STRUCTION OR ACQUISITION OF AN ALTERNATIVE FUEL REFUELING FACILITY THAT  
51 IS DIRECTLY ATTRIBUTABLE TO THE STORAGE, COMPRESSION, CHARGING OR  
52 DISPENSING OF ALTERNATIVE FUELS TO MOTOR VEHICLES. THE INCOME TAX CREDIT  
53 SHALL BE THIRTY PERCENT OF THE COSTS ASSOCIATED WITH SUCH EXPENSES.

54 (2) APPLICATION OF CREDIT. IF THE AMOUNT OF THE CREDIT ALLOWABLE UNDER  
55 THIS SECTION FOR ANY TAXABLE YEAR EXCEEDS THE TAXPAYER'S TAX FOR SUCH  
56 YEAR, FIFTY PERCENT OF THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF

1 TAX TO BE CREDITED OR REFUNDED AS PROVIDED IN SECTION SIX HUNDRED EIGHT-  
2 Y-SIX OF THIS CHAPTER, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID  
3 THEREON. THE BALANCE OF SUCH CREDIT NOT CREDITED OR REFUNDED IN SUCH  
4 TAXABLE YEAR MAY BE CARRIED OVER TO THE IMMEDIATELY SUCCEEDING TAXABLE  
5 YEAR AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR. THE  
6 EXCESS, IF ANY, OF THE AMOUNT OF THE CREDIT OVER THE TAX FOR SUCH  
7 SUCCEEDING YEAR SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED  
8 OR REFUNDED AS PROVIDED IN SECTION SIX HUNDRED EIGHTY-SIX OF THIS CHAP-  
9 TER, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

10 S 9. The sum of eighty million dollars (\$80,000,000), or so much ther-  
11 eof as may be necessary, is hereby appropriated as follows: twenty  
12 million dollars for research and development in regards to biomethane  
13 fuel production and biomethane use in the transportation sector; thirty  
14 million dollars for grants for the components of the biomethane fuel  
15 pathway, including the components required to produce biomethane,  
16 including land, biogas collection systems, anerobic digesters, and  
17 biogas refinery; twenty million in grants for municipal purchases of  
18 light-duty vehicles to heavy-duty freight trucks that use biomethane  
19 fuel; five million for grants for the installation of biomethane fueling  
20 equipment; and five million for administrative costs borne by the  
21 department of taxation and finance and the New York state energy  
22 research and development authority to the department of taxation and  
23 finance; out of moneys in the state treasury in the general fund to the  
24 credit of the biomethane fuel incentive fund, not otherwise appropri-  
25 ated, and made immediately available, for the purpose of carrying out  
26 the provisions of this act. Such moneys shall be payable on the audit  
27 and warrant of the comptroller on vouchers certified or approved in the  
28 manner prescribed by law.

29 S 10. This act shall take effect on the one hundred eightieth day  
30 after it shall have become a law; provided, however, that effective  
31 immediately, the commissioner of taxation and finance shall be author-  
32 ized to adopt and amend any rules or regulations and to take any steps  
33 necessary to implement the provisions of this act.