

STATE OF NEW YORK

1992

2019-2020 Regular Sessions

IN SENATE

January 18, 2019

Introduced by Sens. RANZENHOFER, FELDER, FUNKE, YOUNG -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to a small business electric energy tax credit

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 210-B of the tax law is amended by adding a new
2 subdivision 53 to read as follows:

3 53. Small business electric energy tax credit. (a) A taxpayer that is
4 eligible under the limitations specified in paragraph (b) of this subdivi-
5 vision shall be allowed a credit against the tax imposed by this arti-
6 cle. The amount of the credit shall be equal to the product of two
7 cents per kilowatt hour for all business related electricity usage at
8 the taxpayer's primary business location up to a one thousand dollar
9 limit during the taxable year.

10 (b) An eligible taxpayer shall (i) have no more than nineteen full
11 time equivalent employees in New York state, including any related
12 members or affiliates, (ii) not be a sole-proprietorship if such sole-
13 proprietor's primary business location is sited in or part of such sole-
14 proprietor's place of residence, (iii) not be certified pursuant to
15 article eighteen-B of the general municipal law, and (iv) not be receiv-
16 ing any allocation or award pursuant to any program authorized under
17 article six of the economic development law.

18 (c) (i) The term "business related electricity usage" shall refer to
19 electrical power usage used to further the economic activity of the
20 taxpayer at the primary business location that is clearly delimited from
21 any shared electrical power usage cost. (ii) The term "primary business
22 location" shall mean the physical site of the taxpayer within the state
23 of New York where the majority of the taxpayer's economic activity is
24 generated or coordinated through. (iii) The term "related members"

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

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1 shall have the same meaning as set forth in clauses (A) and (B) of
2 subparagraph one of paragraph (o) of subdivision nine of section two
3 hundred eight of this article, and the term "affiliates" shall mean
4 those corporations that are members of the same affiliated group (as
5 defined in section fifteen hundred four of the internal revenue code) as
6 the taxpayer.

7 (d) The eligible usage level shall be the total kilowatt hour usage of
8 the taxpayer for business related electricity usage during the taxpay-
9 er's taxable year as verified through bills or other form of usage chart
10 provided to the taxpayer by the taxpayer's electricity power service
11 provider.

12 (e) The credit allowed under this subdivision for any taxable year
13 shall not reduce the tax due for such year to less than the higher of
14 the amounts prescribed in paragraph (d) of subdivision one of section
15 two hundred ten of this article. However, if the amount of credit
16 allowed under this subdivision for any taxable year reduces the tax to
17 such amount, any amount of credit not deductible in such taxable year
18 shall be treated as an overpayment of tax to be credited or refunded in
19 accordance with the provisions of section one thousand eighty-six of
20 this chapter. Provided, however, the provisions of subsection (c) of
21 section one thousand eighty-eight of this chapter notwithstanding, no
22 interest shall be paid thereon.

23 § 2. Section 606 of the tax law is amended by adding a new subsection
24 (jjj) to read as follows:

25 (jjj) Small business electric energy tax credit. (1) A taxpayer that
26 is eligible under the limitations specified in paragraph two of this
27 subsection shall be allowed a credit against the tax imposed by this
28 article. The amount of the credit shall be equal to the product (or pro
29 rata share of the product in the case of a partnership) of two cents per
30 kilowatt hour for all business related electricity usage at the taxpay-
31 er's primary business location up to a one thousand dollar limit during
32 the taxable year.

33 (2) An eligible taxpayer shall (i) have no more than nineteen full
34 time equivalent employees in New York state, including any related
35 members or affiliates, (ii) shall not be a sole-proprietorship if such
36 sole-proprietor's primary business location is sited in or part of such
37 sole-proprietor's place of residence, (iii) not be certified pursuant to
38 article eighteen-B of the general municipal law, and (iv) not be receiv-
39 ing any allocation or award pursuant to any program authorized under
40 article six of the economic development law.

41 (3) (i) The term "business related electricity usage" shall refer to
42 electrical power usage used to further the economic activity of the
43 taxpayer at the primary business location that is clearly delimited from
44 any shared electrical power usage cost. (ii) The term "primary business
45 location" shall mean the physical site of the taxpayer within the state
46 of New York where the majority of the taxpayer's economic activity is
47 generated or coordinated through. (iii) The term "related members" shall
48 have the same meaning as set forth in clauses (A) and (B) of subpara-
49 graph one of paragraph (o) of subdivision nine of section two hundred
50 eight of this chapter, and the term "affiliates" shall mean those corpo-
51 rations that are members of the same affiliated group (as defined in
52 section fifteen hundred four of the internal revenue code) as the
53 taxpayer.

54 (4) The eligible usage level shall be the total kilowatt hour usage of
55 the taxpayer for business related electricity usage during the taxpay-
56 er's taxable year as verified through bills or other form of usage chart

1 provided to the taxpayer by the taxpayer's electricity power service
2 provider.

3 (5) If the amount of credit allowed under this subsection for any
4 taxable year shall exceed the taxpayer's tax for such year, the excess
5 shall be treated as an overpayment of tax to be credited or refunded in
6 accordance with the provisions of section six hundred eighty-six of this
7 article, provided, however, that no interest shall be paid thereon.

8 § 3. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
9 of the tax law is amended by adding a new clause (xliv) to read as
10 follows:

11 (xliv) Small business electric
12 energy tax credit
13 under subsection (jjj)

Qualifying electricity usage
under subdivision fifty-three
of section two hundred ten-B

14 § 4. This act shall take effect on the first of January next succeed-
15 ing the date on which it shall have become a law.