

STATE OF NEW YORK

7103

IN SENATE

(Prefiled)

January 8, 2020

Introduced by Sen. JORDAN -- 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 providing a tax credit for the purchase of on-farm anaerobic digesters or other farm-related equipment that is used in the process of turning farm waste into methane for commercial use

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

1 Section 1. The tax law is amended by adding two new sections 28-a and
2 187-q to read as follows:

3 § 28-a. Methane production equipment credit. (a) General. A taxpayer
4 subject to tax under article nine, nine-A or twenty-two of this chapter
5 shall be allowed a one-time credit against such tax pursuant to the
6 provisions referenced in subdivision (b) of this section. The credit (or
7 pro rata share of the credit in the case of a partnership) for the
8 purchase and implementation at a farm located in New York state of
9 on-farm anaerobic digesters or other farm-related equipment that is used
10 in the process of turning farm waste into methane for use by the taxpay-
11 er or other commercial use shall be the full-value of the equipment at
12 the time of purchase. The tax credit allowed pursuant to this section
13 shall apply to taxable years beginning on and after January first, two
14 thousand twenty-one.

15 (b) Cross-references. For application of the credit provided for in
16 this section, see the following provisions of this chapter:

17 (1) Article 9: Section 187-q.

18 (2) Article 9-A: Section 210-B, subdivision 28.

19 (3) Article 22: Section 606, subsections (i) and (kkk).

20 § 187-q. Methane production equipment credit. A taxpayer shall be
21 allowed a credit to be computed as provided in section twenty-eight-a of
22 this chapter against the tax imposed by this article. Provided, however,
23 that the amount of such credit allowed against the tax imposed by
24 section one hundred eighty-four of this article shall be the excess of
25 the amount of such credit over the amount of any credit allowed by this

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

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1 section against the tax imposed by section one hundred eighty-three of
2 this article. In no event shall the credit under this section be allowed
3 in an amount which will reduce the tax payable to less than the applica-
4 ble minimum tax fixed by section one hundred eighty-three of this arti-
5 cle. If, however, the amount of the credit allowed under this section
6 for any taxable year reduces the tax to such amount, the excess shall be
7 treated as an overpayment of tax to be credited or refunded in accord-
8 ance with the provisions of section six hundred eighty-six of this chap-
9 ter. Provided, however, the provisions of subsection (c) of section one
10 thousand eighty-eight of this chapter notwithstanding, no interest shall
11 be paid thereon. The tax credit allowed pursuant to this section shall
12 apply to taxable years beginning on and after January first, two thou-
13 sand twenty-one.

14 § 2. Section 210-B of the tax law is amended by adding a new subdivi-
15 sion 28 to read as follows:

16 28. Methane production equipment credit. A taxpayer shall be allowed a
17 credit, to be computed as provided in section twenty-eight-a of this
18 chapter against the tax imposed by this article. The credit allowed
19 under this subdivision for any taxable year shall not reduce the tax due
20 for such year to less than the fixed dollar minimum amount prescribed in
21 paragraph (d) of subdivision one of section two hundred ten of this
22 article. However, if the amount of credit allowed under this subdivision
23 for any taxable year reduces the tax to such amount or if the taxpayer
24 otherwise pays tax based on the fixed dollar minimum amount, any amount
25 of credit thus not deductible in such taxable year shall be treated as
26 an overpayment of tax to be credited or refunded in accordance with the
27 provisions of section one thousand eighty-six of this chapter.
28 Provided, however, the provisions of subsection (c) of section one thou-
29 sand eighty-eight of this chapter notwithstanding, no interest shall be
30 paid thereon. The tax credit allowed pursuant to this section shall
31 apply to taxable years beginning on and after January first, two thou-
32 sand twenty-one.

33 § 3. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
34 of the tax law is amended by adding a new clause (xlvi) to read as
35 follows:

36 (xlvi) Methane production equipment Amount of credit under
37 credit under subsection (kkk) subdivision twenty-eight of
38 section two hundred ten-B

39 § 4. Section 606 of the tax law is amended by adding a new subsection
40 (kkk) to read as follows:

41 (kkk) Methane production equipment credit. A taxpayer shall be allowed
42 a credit to be computed as provided in section twenty-eight-a of this
43 chapter against the tax imposed by this article. If the amount of the
44 credit allowed under this subsection for any taxable year shall exceed
45 the taxpayer's tax for such year, the excess shall be treated as an
46 overpayment of tax to be credited or refunded in accordance with the
47 provisions of section six hundred eighty-six of this article, provided,
48 however, that no interest shall be paid thereon. The tax credit allowed
49 pursuant to this section shall apply to taxable years beginning on and
50 after January first, two thousand twenty-one.

51 § 5. This act shall take effect immediately and shall apply to tax
52 years commencing on and after January 1, 2021. Effective immediately the
53 addition, amendment and/or repeal of any rule or regulation necessary
54 for the implementation of this act on its effective date are authorized
55 to be made and completed on or before such date.