

STATE OF NEW YORK

8550

IN SENATE

March 11, 2022

Introduced by Sen. KAMINSKY -- 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 residential solar tax credits

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

1 Section 1. Subsection (g-1) of section 606 of the tax law, as
2 amended by chapter 378 of the laws of 2005, paragraphs 1 and 2 as
3 amended by chapter 375 of the laws of 2012, paragraph 3 as amended,
4 paragraph 5 as added, and paragraphs 6, 7 and 8 as renumbered by chapter
5 128 of the laws of 2007, is amended to read as follows:

6 (g-1) Solar energy system equipment credit. (1) General. An individual
7 taxpayer shall be allowed a credit against the tax imposed by this arti-
8 cle equal to twenty-five percent of qualified solar energy system equip-
9 ment expenditures, except as provided in subparagraph (D) of paragraph
10 two of this subsection. This credit shall not exceed three thousand
11 seven hundred fifty dollars for qualified solar energy equipment placed
12 in service before September first, two thousand six, ~~and~~ five thousand
13 dollars for qualified solar energy equipment placed in service on or
14 after September first, two thousand six and before April first, two
15 thousand twenty-two, and ten thousand dollars for qualified solar energy
16 equipment placed in service on or after April first, two thousand twen-
17 ty-two.

18 (2) Qualified solar energy system equipment expenditures. (A) The term
19 "qualified solar energy system equipment expenditures" means expendi-
20 tures for:

21 (i) the purchase of solar energy system equipment which is installed
22 in connection with residential property which is (I) located in this
23 state and (II) which is used by the taxpayer as his or her principal
24 residence at the time the solar energy system equipment is placed in
25 service;

26 (ii) the lease of solar energy system equipment under a written agree-
27 ment that spans at least ten years where such equipment owned by a
28 person other than the taxpayer is installed in connection with residen-

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

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1 tial property which is (I) located in this state and (II) which is used
2 by the taxpayer as his or her principal residence at the time the solar
3 energy system equipment is placed in service; or

4 (iii) the purchase of power under a written agreement that spans at
5 least ten years whereunder the power purchased is generated by solar
6 energy system equipment owned by a person other than the taxpayer which
7 is installed in connection with residential property which is (I)
8 located in this state and (II) which is used by the taxpayer as his or
9 her principal residence at the time the solar energy system equipment is
10 placed in service.

11 (B) Such qualified expenditures shall include expenditures for materi-
12 als, labor costs properly allocable to on-site preparation, assembly and
13 original installation, architectural and engineering services, and
14 designs and plans directly related to the construction or installation
15 of the solar energy system equipment.

16 (C) Such qualified expenditures for the purchase of solar energy
17 system equipment shall not include interest or other finance charges.

18 (D) Such qualified expenditures for the lease of solar energy system
19 equipment or the purchase of power under an agreement described in
20 clauses (ii) or (iii) of subparagraph (A) of this paragraph shall
21 include an amount equal to all payments made during the taxable year
22 under such agreement. Provided, however, such credits shall only be
23 allowed for fourteen years after the first taxable year in which such
24 credit is allowed. Provided further, however, the twenty-five percent
25 limitation in paragraph one of this subsection shall only apply to the
26 total aggregate amount of all payments to be made pursuant to an agree-
27 ment referenced in clauses (ii) or (iii) of subparagraph (A) of this
28 paragraph, and shall not apply to individual payments made during a
29 taxable year under such agreement except to the extent such limitation
30 on an aggregate basis has been reached.

31 (3) Solar energy system equipment. The term "solar energy system
32 equipment" shall mean an arrangement or combination of components
33 utilizing solar radiation, which, when installed in a residence, produc-
34 es and stores energy designed to provide heating, cooling, hot water or
35 electricity for use in such residence. Such arrangement or components
36 shall not include equipment connected to solar energy system equipment
37 that is a component of part or parts of a non-solar energy system or
38 which uses any sort of recreational facility or equipment as a storage
39 medium. Solar energy system equipment that generates and stores elec-
40 tricity for use in a residence must conform to applicable requirements
41 set forth in section sixty-six-j of the public service law. Provided,
42 however, where solar energy system equipment is purchased and installed
43 by a condominium management association or a cooperative housing corpo-
44 ration, for purposes of this subsection only, the term "ten kilowatts"
45 in such section sixty-six-j shall be read as [~~"fifty"~~] "ten kilowatts
46 multiplied by the number of owner-occupied units in the cooperative or
47 condominium management association."

48 (4) Multiple taxpayers. Where solar energy system equipment is
49 purchased and installed in a principal residence shared by two or more
50 taxpayers, the amount of the credit allowable under this subsection for
51 each such taxpayer shall be prorated according to the percentage of the
52 total expenditure for such solar energy system equipment contributed by
53 each taxpayer.

54 (5) Proportionate share. Where solar energy system equipment is
55 purchased and installed by a condominium management association or a
56 cooperative housing corporation, a taxpayer who is a member of the

1 condominium management association or who is a tenant-stockholder in the
2 cooperative housing corporation may for the purpose of this subsection
3 claim a proportionate share of the total expense as the expenditure for
4 the purposes of the credit attributable to [~~his~~] their principal resi-
5 dence.

6 (6) Grants. For purposes of determining the amount of the expenditure
7 incurred in purchasing and installing solar energy system equipment, the
8 amount of any federal, state or local grant received by the taxpayer,
9 which was used for the purchase and/or installation of such equipment
10 and which was not included in the federal gross income of the taxpayer,
11 shall not be included in the amount of such expenditures.

12 (7) When credit allowed. The credit provided for herein shall be
13 allowed with respect to the taxable year, commencing after nineteen
14 hundred ninety-seven, in which the solar energy system equipment is
15 placed in service.

16 (8) Carryover of credit. If the amount of the credit, and carryovers
17 of such credit, allowable under this subsection for any taxable year
18 shall exceed the taxpayer's tax for such year, such excess amount may be
19 carried over to the five taxable years next following the taxable year
20 with respect to which the credit is allowed and may be deducted from the
21 taxpayer's tax for such year or years. In lieu of carrying over any such
22 excess, a taxpayer who qualifies as an owner of a new business as
23 defined in paragraph ten of subsection (a) of this section may, at their
24 option, receive such excess as a refund. Any refund paid pursuant to
25 this paragraph shall be deemed to be a refund of an overpayment of tax
26 as provided in section six hundred eighty-six of this article, provided,
27 however, that no interest shall be paid thereon.

28 § 2. This act shall take effect immediately.