STATE OF NEW YORK

2721

2021-2022 Regular Sessions

IN SENATE

January 22, 2021

Introduced by Sens. KRUEGER, BIAGGI, BROOKS, GOUNARDES, HOYLMAN, KAPLAN, LIU, MAY, MYRIE, RIVERA, SALAZAR, SERRANO -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the executive law, in relation to requiring an annual report of all fossil fuel related tax expenditures; and to provide for the expiration of fossil fuel related tax expenditures

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

Section 1. Legislative findings. The legislature hereby finds and declares that the use of fossil fuels result in greenhouse gas emissions. The state has a goal of reducing greenhouse gas emissions by eighty percent below 1990 levels by 2050 to combat climate change. Therefore, the state has an interest in reducing tax expenditures that support fossil fuels. By creating a process through which the legislature would review existing fossil fuel tax expenditures on a regular basis, the state can better ensure that they are in the public interest.

§ 2. Subdivision 1 of section 181 of the executive law is amended by adding two new paragraphs (c) and (d) to read as follows:

(c) "Fossil fuel" shall have the same definition as in section 1-103 of the energy law and include biodiesel.

(d) "Fossil fuel related tax expenditures" shall mean tax expenditures that directly support the production, transmission, distribution, transportation, storage, sale, purchase or delivery of fossil fuels.

§ 3. The opening paragraph and paragraphs (f) and (g) of subdivision 2 of section 181 of the executive law, the opening paragraph as amended by chapter 309 of the laws of 1996 and paragraphs (f) and (g) as added by chapter 23 of the laws of 1990, are amended and two new paragraphs (h) and (i) are added to read as follows:

In addition to the information required by article seven of the constitution and section twenty-two of the state finance law, the gover-

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

LBD01469-01-1

nor shall submit to the legislature **and make available to the public on the websites of the state division of budget and the executive office, and any other location deemed necessary to ensure ease of access**, [~~as early as practicable, but no later than thirty days after~~] **concurrent with** submitting the budget, a tax expenditure report containing the following information and statements relating to tax expenditures in articles nine (other than section one hundred eighty), nine-A, thirteen-A, twenty-two, twenty-eight, thirty-one[~~, thirty-two~~] and thirty-three of the tax law:

(f) comment, if any, on the effectiveness and efficiency of other tax expenditures; [~~and~~]

(g) general cautionary and advisory notes concerning limitations of data, estimation procedures, sampling errors and imputed values, prominently displayed[~~.~~]**;**

(h) information identifying whether a tax expenditure is a fossil fuel related tax expenditure and if so, provide additional information on the impact of such expenditures in regard to economic growth, jobs, individual cost of living and fossil fuel emissions; and

(i) any recommendations of the governor regarding continuing, modifying or repealing any identified fossil fuel related tax expenditures, and such other information regarding such fossil fuel related tax expenditures as he or she may feel useful and appropriate, in consultation with the state energy planning board.

§ 4. Notwithstanding any other provisions of law, there shall be a 5 year expiration for all fossil fuel related tax expenditures, as defined in paragraph (d) of subdivision 1 of section 181 of the executive law, with such 5 year period commencing on the effective date of this act; provided, however, that if such an expenditure would otherwise expire or be deemed repealed pursuant to law upon an earlier date, then such expenditure shall expire or be deemed repealed upon such earlier date. Any new fossil fuel related tax expenditure enacted by the legislature after the effective date of this act shall be subject to a 5 year expiration commencing on the effective date of the act which enacted such expenditure unless otherwise specified by the legislature at that time.

§ 5. This act shall take effect immediately.