STATE OF NEW YORK

3954

2021-2022 Regular Sessions

IN SENATE

February 1, 2021

Introduced by Sens. KENNEDY, HOYLMAN -- 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 establishing a sanitary sewer lateral pipe replacement or repair credit

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

Section 1. Section 606 of the tax law is amended by adding a new subsection (kkk) to read as follows:

(kkk) Sanitary sewer lateral pipe replacement credit. (1) General. An individual taxpayer shall be allowed a credit for taxable years beginning on or after January first, two thousand twenty-two against the tax imposed by this article for the costs to repair or replace a lateral sanitary sewer pipe, when such repair or replacement is recommended by a certified plumber or the presiding municipality. The amount of the credit shall be twenty-five percent of the total cost of repair or removal.

(2) Lateral repair and replacement costs. (A) The term "costs of replacement" includes the cost of an assessment from a plumber, any initial appraisals, labor costs, disposal fees, and cleanup fees; except any state or local sales tax applicable to the services performed. (B) The term "costs of repair" includes the cost of an assessment from a plumber, any initial appraisals, labor costs, disposal fees, and follow-up fees; except any state or local sales tax applicable to the services.

(3) Amount of credit. The aggregate amount of tax credits allowed under this subsection in any calendar year statewide shall be five million dollars.

(4) Lateral repair or replacement for qualified taxpayers. A property owner who incurs costs for repairing or replacing lateral sewer pipes must be replacing or repairing the lateral pipe located on a residential property or mixed-use property, which is:

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

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(A) located in this state;
(B) owned by the taxpayer;
(C) used by the taxpayer as their principal residence; and
(D) owned by a taxpayer with a household income of less than two hundred fifty thousand dollars.
(5) When credit allowed. The credit provided for in this subsection shall be allowed with respect to the taxable year, commencing after January first, two thousand twenty-three in which the work is completed and paid for.
(6) Carryover of credit. If the amount of the credit, and carryovers of such credit, allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, such excess amount may be carried over to the five taxable years next following the taxable year with respect to which the credit is allowed and may be deducted from the taxpayer's tax for such year or years.

§ 2. This act shall take effect January 1, 2023, and shall apply to taxable years commencing on or after such effective date.