

STATE OF NEW YORK

6739

2023-2024 Regular Sessions

IN ASSEMBLY

May 8, 2023

Introduced by M. of A. WALKER -- read once and referred to the Committee on Ways and Means

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 amended
2 by chapter 378 of the laws of 2005, paragraphs 1 and 2 as amended by
3 chapter 375 of the laws of 2012, paragraph 3 as amended, paragraph 5 as
4 added, and paragraphs 6, 7 and 8 as renumbered by chapter 128 of the
5 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 January first, two
15 thousand twenty-four, and ten thousand dollars for qualified solar ener-
16 gy equipment placed in service on or after January first, two thousand
17 twenty-four.

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;

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

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1 (ii) the lease of solar energy system equipment under a written agree-
2 ment that spans at least ten years where such equipment owned by a
3 person other than the taxpayer is installed in connection with residen-
4 tial property which is (I) located in this state and (II) which is used
5 by the taxpayer as his or her principal residence at the time the solar
6 energy system equipment is placed in service; or

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

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

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

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

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

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

1 total expenditure for such solar energy system equipment contributed by
2 each taxpayer.

3 (5) Proportionate share. Where solar energy system equipment is
4 purchased and installed by a condominium management association or a
5 cooperative housing corporation, a taxpayer who is a member of the
6 condominium management association or who is a tenant-stockholder in the
7 cooperative housing corporation may for the purpose of this subsection
8 claim a proportionate share of the total expense as the expenditure for
9 the purposes of the credit attributable to [~~his~~] their principal resi-
10 dence.

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

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

21 (8) Carryover of credit and refundability. If the amount of the cred-
22 it, and carryovers of such credit, allowable under this subsection for
23 any taxable year shall exceed the taxpayer's tax for such year, such
24 excess amount may be carried over to the five taxable years next follow-
25 ing the taxable year with respect to which the credit is allowed and may
26 be deducted from the taxpayer's tax for such year or years. For taxable
27 years beginning on or after January first, two thousand twenty-four, if
28 the amount of the credit allowable under this subsection shall exceed
29 the taxpayer's tax liability for such year, and the taxpayer meets the
30 definition of low-to-moderate income or resides in a disadvantaged
31 community, the excess shall be treated as an overpayment of tax to be
32 credited or refunded in accordance with the provisions of section six
33 hundred eighty-six of this article, provided, however, that no interest
34 shall be paid thereon.

35 § 2. This act shall take effect immediately.