

STATE OF NEW YORK

1178

2025-2026 Regular Sessions

IN SENATE

January 8, 2025

Introduced by Sen. MATTERA -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law and the tax law, in relation to enacting the credit for rural energy infrastructure act of 2025

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "credit for rural energy infrastructure act of 2025".

3 § 2. Section 5 of the public service law is amended by adding a new
4 subdivision 7 to read as follows:

5 7. The commission, in consultation with New York independent system
6 operator, is hereby authorized and directed to promulgate rules and
7 regulations necessary for verifying an unserved area for the purposes of
8 subdivision sixty-one of section two hundred ten-b and subsection (ggg)
9 of section six hundred six of the tax law, using gas service mapping
10 data at the time a project is proposed.

11 § 3. Section 210-B of the tax law is amended by adding a new subdivi-
12 sion 61 to read as follows:

13 61. Credit for rural energy infrastructure deployment. (a) Allowance
14 of credit. A qualified taxpayer shall be allowed a credit against the
15 tax imposed by this article equal to any qualified customer contribution
16 in aid of construction resulting from new gas pipeline construction to
17 deliver gas service to the individual's residence or place of business
18 located in an unserved area. The credit allowed by this subdivision
19 shall be claimed annually over a five-year period equal to one-fifth of
20 the credit amount. If the credit allowed under this subdivision is
21 greater than the tax due in any taxable year, the amount by which such
22 credit exceeds such tax due is treated as an overpayment of tax to be
23 refunded in accordance with the provisions of section one thousand
24 eighty-six of this chapter.

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

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1 (b) For purposes of this subdivision, the following definitions shall
2 apply:

3 (i) "Qualified construction expenses" equal the total cost of
4 construction of new networks in the proposed unserved area, as certified
5 by the gas service provider, but not to exceed a reasonable cost based
6 upon the average cost per mile of gas pipeline construction as deter-
7 mined by the public service commission and gas service providers.

8 (ii) "Qualified customer contribution in aid of construction" is
9 determined in accordance with the following formula: $(QCE/TC) - (ACM/35)$
10 = QC, where QCE equals the qualified construction expenses; ACM equals
11 the average cost of construction per mile in the proposed unserved area,
12 as certified by the gas service provider, but not to exceed a reasonable
13 cost based upon the average cost per mile of gas pipeline construction
14 as determined by the public service commission and gas service provid-
15 ers; TC equals the number of residents and small business customers in
16 the proposed unserved area making a qualified customer contribution in
17 aid to construction and contracting for services over the pipeline; and
18 QC equals the qualified customer contribution in aid of construction.

19 (iii) "Required provider contribution in aid to construction" shall
20 equal the qualified construction expenses, less the sum of all the qual-
21 ified customer contributions in aid to construction in the proposed
22 unserved area.

23 (iv) "Unserved area" means an area composed of one or more contiguous
24 census blocks where at least ninety percent of households lack access to
25 gas service.

26 (v) "Qualified taxpayer" means a taxpayer which is a small business
27 corporation as defined in paragraph three of subsection (c) of section
28 twelve hundred forty-four of the internal revenue code, notwithstanding
29 the second sentence of subparagraph (A) thereof, as of the last day of
30 the taxable year.

31 § 4. Section 606 of the tax law is amended by adding a new subsection
32 (qqq) to read as follows:

33 (qqq) Credit for rural energy infrastructure. (1) Allowance of credit.
34 A qualified taxpayer shall be allowed a credit against the tax imposed
35 by this article equal to any qualified customer contribution in aid of
36 construction resulting from new network construction to deliver gas
37 service to the individual's residence or place of business located in an
38 unserved area. The credit allowed by this subsection shall be claimed
39 annually over a five-year period equal to one-fifth of the credit
40 amount. If the credit allowed under this subsection is greater than the
41 tax due in any taxable year, the amount by which such credit exceeds
42 such tax due is treated as an overpayment of tax to be refunded in
43 accordance with the provisions of section one thousand eighty-six of
44 this chapter.

45 (2) For purposes of this subsection, the following definitions shall
46 apply:

47 (A) "Qualified construction expenses" equal the total cost of
48 construction of new pipelines in the proposed unserved area, as certi-
49 fied by the gas service provider, but not to exceed a reasonable cost
50 based upon the average cost per mile of gas pipeline construction as
51 determined by the public service commission and gas service providers.

52 (B) "Qualified customer contribution in aid of construction" is deter-
53 mined in accordance with the following formula: $(QCE/TC) - (ACM/35) =$
54 QC, where QCE equals the qualified construction expenses; ACM equals the
55 average cost of construction per mile in the proposed unserved area, as
56 certified by gas service provider, but not to exceed a reasonable cost

1 based upon the average cost per mile of gas pipeline construction as
 2 determined by the public service commission gas service providers; TC
 3 equals the number of residents and small business customers in the
 4 proposed unserved area making a qualified customer contribution in aid
 5 to construction and contracting for services over the network; and QC
 6 equals the qualified customer contribution in aid of construction.

7 (C) "Required provider contribution in aid to construction" shall
 8 equal the qualified construction expenses, less the sum of all the qual-
 9 ified customer contributions in aid to construction in the proposed
 10 unserved area.

11 (D)"Unserved area" means an area composed of one or more contiguous
 12 census blocks where at least ninety percent of households lack access to
 13 gas service.

14 (E)"Qualified taxpayer" means any individual with an adjusted gross
 15 income of two hundred fifty thousand dollars or less.

16 § 5. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
 17 of the tax law is amended by adding a new clause (lii) to read as
 18 follows:

19 <u>(lii) Credit for rural</u>	<u>Amount of credit under subdivision</u>
20 <u>energy infrastructure</u>	<u>sixty-one of section two</u>
21 <u>subsection (qqq)</u>	<u>hundred ten-B</u>

22 § 6. This act shall take effect immediately and shall apply to taxable
 23 years beginning on or after January 1, 2026.