

# STATE OF NEW YORK

2348

2025-2026 Regular Sessions

## IN SENATE

January 16, 2025

Introduced by Sen. PARKER -- 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 providing an exemption for alternative energy systems from the state's sales and compensating use taxes and authorizing counties and cities to elect such exemption from their sales and use taxes imposed by or pursuant to the authority of such law; and providing for the repeal of such provisions upon expiration thereof

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

1 Section 1. Subdivision (b) of section 1101 of the tax law is amended  
2 by adding a new paragraph 39 to read as follows:

3 (39) Alternative energy systems. New Energy Star appliances and tangi-  
4 ble personal property used in or on habitable residential and non-resi-  
5 dential structures for the purpose of improving the energy efficiency of  
6 such structures consist of: (i) systems which do not rely on petroleum  
7 products or natural gas as their energy source or fuel cell electric  
8 generation equipment as described in paragraph two of subsection (g-2)  
9 of section six hundred six of this chapter; (ii) new Energy Star appli-  
10 ances, including residential refrigerators, freezers, clothing washers  
11 (but not a combination washer/dryer unless the clothing is washed and  
12 dried in the same compartment), light fixtures which use a pin-based  
13 compact fluorescent bulb, non-commercial ceiling fans or ceiling fan and  
14 light kits, dishwasher or air conditioners, sold at retail, provided  
15 such appliances qualify for and are labeled with, an Energy Star label  
16 by the manufacturer, pursuant to an agreement among the manufacturer,  
17 the United States environmental protection agency and the United States  
18 department of energy; and (iii) tangible personal property that improves  
19 the energy efficiency of residential and non-residential heating and  
20 cooling systems, including but not limited to, insulation and weather

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

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1 stripping and products, such as roofing, windows, doors and skylights  
2 approved by the Energy Star program.

3 § 2. Subdivision (a) of section 1115 of the tax law is amended by  
4 adding a new paragraph 47 to read as follows:

5 (47) Alternative energy systems, new Energy Star appliances and tangi-  
6 ble personal property used in or on habitable residential and non-resi-  
7 dential structures for the purpose of improving the energy efficiency of  
8 such structures, as defined in paragraph thirty-nine of subdivision (b)  
9 of section eleven hundred one of this article.

10 § 3. Clause 9 of subdivision (b) of section 1107 of the tax law, as  
11 amended by section 78 of part A of chapter 56 of the laws of 1998, is  
12 amended to read as follows:

13 (9) Except as otherwise provided by law, the [~~exemption~~] exemptions  
14 provided for in paragraph thirty of subdivision (a) of section eleven  
15 hundred fifteen of this article relating to clothing and footwear and  
16 paragraph forty-seven of subdivision (a) of section eleven hundred  
17 fifteen of this article relating to alternative energy systems shall not  
18 apply.

19 § 4. Subdivision (f) of section 1109 of the tax law, as added by  
20 section 118-a of part A of chapter 389 of the laws of 1997, is amended  
21 to read as follows:

22 (f) The [~~exemption~~] exemptions contained in [~~paragraph~~] paragraphs  
23 thirty and forty-seven of subdivision (a) of section eleven hundred  
24 fifteen of this article shall not apply.

25 § 5. Section 1109 of the tax law is amended by adding a new subdivi-  
26 sion (i) to read as follows:

27 (i) Notwithstanding any other provision of state or local law, ordi-  
28 nance or resolution to the contrary: (1) In the event that a county,  
29 city or school district located in the metropolitan commuter transporta-  
30 tion district imposes taxes pursuant to the authority of subpart B of  
31 part I of article twenty-nine of this chapter and elects to provide the  
32 alternative energy systems exemption authorized in paragraph one of  
33 subdivision (a) of section twelve hundred ten of this chapter, or a city  
34 located in such district in which the taxes provided for in section  
35 eleven hundred seven of this part are in effect elects to provide such  
36 alternative energy systems exemption from such taxes pursuant to the  
37 authority of subdivision (p) of section twelve hundred ten of this chap-  
38 ter, or the taxes provided for in section eleven hundred eight of this  
39 part are in effect in a city located in such district, the exemption  
40 provided by paragraph forty-seven of subdivision (a) of section eleven  
41 hundred fifteen of this article shall be applicable in such portion of  
42 the metropolitan commuter transportation district in which such county,  
43 city or school district is located. The commissioner shall determine and  
44 certify to the comptroller the amount of revenue forgone at the rate of  
45 one-quarter of one percent under this section in such county, city or  
46 school district on account of sales of alternative energy systems in  
47 such county, city or school district.

48 (2) Commencing with the sales tax quarterly period which commences on  
49 June first, two thousand twenty-five, the commissioner shall make such  
50 determinations and certifications on the twelfth day of the month  
51 following the month in which sales tax quarterly returns are due under  
52 section eleven hundred thirty-six of this article with respect to such  
53 quarterly period for as long as such alternative energy systems  
54 exemptions from such taxes imposed pursuant to the authority of article  
55 twenty-nine of this chapter or by section eleven hundred seven or eleven  
56 hundred eight of this part are in effect. Neither the commissioner nor

1 the comptroller shall be held liable for any inaccuracy in such determi-  
2 nations and certifications. Such determinations and certifications may  
3 be based on such information as may be available to the commissioner at  
4 the time such determinations and certifications must be made under this  
5 subdivision and may be estimated on the basis of percentages or other  
6 indices calculated from distributions from prior periods. The commis-  
7 sioner shall be authorized to require such information as the commis-  
8 sioner deems necessary to comply with the requirements of this subdivi-  
9 sion from persons required to file returns under section eleven hundred  
10 thirty-six of this article.

11 (3) By the fifteenth day of the month in which the commissioner has  
12 made the certifications to the comptroller described in paragraph two of  
13 this subdivision, the comptroller shall bill any county, city or school  
14 district in such metropolitan commuter transportation district which  
15 provides such alternative energy systems exemption, and any city in such  
16 district in which the taxes imposed by section eleven hundred seven of  
17 this part are in effect which has elected to provide such alternative  
18 energy systems exemption, and any city in such district in which the  
19 taxes imposed by section eleven hundred eight of this part are in  
20 effect, an amount equal to one-half of the amount certified to the comp-  
21 troller by the commissioner in respect of such county, city or school  
22 district; and such county, city or school district shall pay the amount  
23 of such bill to the comptroller by the twenty-fifth day of such month.  
24 The comptroller shall deposit any such amounts received in the mass  
25 transportation operating assistance fund established by section eighty-  
26 eight-a of the state finance law to the credit of the metropolitan mass  
27 transportation operating assistance account therein.

28 (4) In the event that a county, city or school district imposing tax  
29 pursuant to the authority of subpart B of part I of article twenty-nine  
30 of this chapter does not pay in full a bill described in paragraph three  
31 of this subdivision by the twenty-fifth day of the month described in  
32 paragraphs two and three of this subdivision, the comptroller shall  
33 deduct any amount not paid from the amount of the next payment or  
34 payments due such county, city or school district pursuant to subdivi-  
35 sion (c) of section twelve hundred sixty-one of this chapter until such  
36 amount not paid has been recovered. The comptroller shall deposit the  
37 amounts so deducted and recovered in the mass transportation operating  
38 assistance fund to be credited as provided in paragraph three of this  
39 subdivision.

40 (5) In the event that a city in which the taxes imposed by section  
41 eleven hundred seven of this part are in effect does not pay in full a  
42 bill described in paragraph three of this subdivision by the twenty-  
43 fifth day of the month described in paragraphs two and three of this  
44 subdivision, the comptroller shall deduct any amount not paid from the  
45 amount of the next payment or payments due such city, with respect to  
46 taxes, penalty and interest imposed pursuant to the authority of section  
47 twelve hundred twelve-a of this chapter, pursuant to subdivision (c) of  
48 section twelve hundred sixty-one of this chapter, until such amount not  
49 paid has been recovered. The comptroller shall deposit the amounts so  
50 deducted and recovered in the mass transportation operating assistance  
51 fund to be credited as provided in paragraph three of this subdivision.

52 (6) In the event that a city in which the taxes imposed by section  
53 eleven hundred eight of this part are in effect does not pay in full a  
54 bill described in paragraph three of this subdivision by the twenty-  
55 fifth day of the month described in paragraphs two and three of this  
56 subdivision, the comptroller shall deduct any amount not paid from the

1 amount of any other moneys due such city from the comptroller, not  
2 otherwise pledged, dedicated or encumbered pursuant to other state law,  
3 until such amount not paid has been recovered. The comptroller shall  
4 deposit the amounts so deducted and recovered in the mass transportation  
5 operating assistance fund to be credited as provided in paragraph three  
6 of this subdivision.

7 (7) The commissioner shall certify the amount of any over calculation  
8 or under calculation of any certification required to be made to the  
9 comptroller under paragraph three of this subdivision as soon after its  
10 discovery as reasonably possible and subsequent bills to a city, county  
11 or school district to which the over calculation or under calculation  
12 relates shall be adjusted accordingly, provided that the comptroller may  
13 adjust such number of subsequent bills as the comptroller shall consider  
14 reasonable in view of the amount of the adjustment and all other facts  
15 and circumstances.

16 (8) On the same date that the comptroller is required to bill a coun-  
17 ty, city or school district an amount as provided in paragraph three of  
18 this subdivision, the comptroller shall, after having first made any  
19 deposits required by section ninety-two-r of the state finance law and  
20 only to the extent that there are moneys remaining after having made  
21 such required deposits, withdraw from the state treasury, to the debit  
22 of the general fund, an amount equal to the total of the amounts  
23 required to be billed to counties, cities and school districts pursuant  
24 to such paragraph three and deposit such total amount in the mass trans-  
25 portation operating assistance fund to be credited as provided in such  
26 paragraph three. The amount of any over calculation or under calculation  
27 determined in paragraph seven of this subdivision shall likewise be  
28 applied to the amounts required to be deposited under this paragraph, so  
29 that the amounts deposited under this paragraph equal the total of the  
30 amounts required to be billed to counties, cities and school districts  
31 under such paragraph three, as adjusted, pursuant to paragraph seven of  
32 this subdivision.

33 § 6. Subparagraph (ii) of paragraph 1 of subdivision (a) of section  
34 1210 of the tax law, as amended by section 5 of part J of chapter 59 of  
35 the laws of 2021, is amended to read as follows:

36 (ii) Any local law, ordinance or resolution enacted by any city, coun-  
37 ty or school district, imposing the taxes authorized by this subdivi-  
38 sion, shall omit the residential solar energy systems equipment and  
39 electricity exemption provided for in subdivision (ee), the commercial  
40 solar energy systems equipment and electricity exemption provided for in  
41 subdivision (ii), the commercial fuel cell electricity generating  
42 systems equipment and electricity generated by such equipment exemption  
43 provided for in subdivision (kk) and the clothing and footwear exemption  
44 provided for in paragraph thirty of subdivision (a) of section eleven  
45 hundred fifteen of this chapter and the alternative energy systems  
46 exemption provided for in paragraph forty-seven of subdivision (a) of  
47 section eleven hundred fifteen of this chapter, unless such city, county  
48 or school district elects otherwise as to such residential solar energy  
49 systems equipment and electricity exemption, such commercial solar ener-  
50 gy systems equipment and electricity exemption, commercial fuel cell  
51 electricity generating systems equipment and electricity generated by  
52 such equipment exemption or such clothing and footwear exemption.

53 § 7. Subdivision (d) of section 1210 of the tax law, as amended by  
54 section 4 of part WW of chapter 60 of the laws of 2016, is amended to  
55 read as follows:

1 (d) A local law, ordinance or resolution imposing any tax pursuant to  
2 this section, increasing or decreasing the rate of such tax, repealing  
3 or suspending such tax, exempting from such tax the energy sources and  
4 services described in paragraph three of subdivision (a) or of subdivi-  
5 sion (b) of this section or changing the rate of tax imposed on such  
6 energy sources and services or providing for the credit or refund  
7 described in clause six of subdivision (a) of section eleven hundred  
8 nineteen of this chapter, or electing or repealing the exemption for  
9 residential solar equipment and electricity in subdivision (ee) of  
10 section eleven hundred fifteen of this article, or the exemption for  
11 commercial solar equipment and electricity in subdivision (ii) of  
12 section eleven hundred fifteen of this article, or electing or repealing  
13 the exemption for commercial fuel cell electricity generating systems  
14 equipment and electricity generated by such equipment in subdivision  
15 (kk) of section eleven hundred fifteen of this article must go into  
16 effect only on one of the following dates: March first, June first,  
17 September first or December first; provided, that a local law, ordinance  
18 or resolution providing for the exemption described in paragraph thirty  
19 or forty-seven of subdivision (a) of section eleven hundred fifteen of  
20 this chapter or repealing any such exemption or a local law, ordinance  
21 or resolution providing for a refund or credit described in subdivision  
22 (d) of section eleven hundred nineteen of this chapter or repealing such  
23 provision so provided must go into effect only on March first. No such  
24 local law, ordinance or resolution shall be effective unless a certified  
25 copy of such law, ordinance or resolution is mailed by registered or  
26 certified mail to the commissioner at the commissioner's office in Alba-  
27 ny at least ninety days prior to the date it is to become effective.  
28 However, the commissioner may waive and reduce such ninety-day minimum  
29 notice requirement to a mailing of such certified copy by registered or  
30 certified mail within a period of not less than thirty days prior to  
31 such effective date if the commissioner deems such action to be consist-  
32 ent with the commissioner's duties under section twelve hundred fifty of  
33 this article and the commissioner acts by resolution. Where the  
34 restriction provided for in section twelve hundred twenty-three of this  
35 article as to the effective date of a tax and the notice requirement  
36 provided for therein are applicable and have not been waived, the  
37 restriction and notice requirement in section twelve hundred twenty-  
38 three of this article shall also apply.

39 § 8. Section 1210 of the tax law is amended by adding a new subdivi-  
40 sion (p) to read as follows:

41 (p) Notwithstanding any other provision of state or local law, ordi-  
42 nance or resolution to the contrary:

43 (1) Any city having a population of one million or more in which the  
44 taxes imposed by section eleven hundred seven of this chapter are in  
45 effect, acting through its local legislative body, is hereby authorized  
46 and empowered to elect to provide the exemption from such taxes for the  
47 same alternative energy systems exempt from state sales and compensating  
48 use taxes described in paragraph forty-seven of subdivision (a) of  
49 section eleven hundred fifteen of this chapter by enacting a resolution  
50 exactly in the form set forth in paragraph two of this subdivision;  
51 whereupon, upon compliance with the provisions of subdivisions (d) and  
52 (e) of this section, such enactment of such resolution shall be deemed  
53 to be an amendment to such section eleven hundred seven and such section  
54 eleven hundred seven shall be deemed to incorporate such exemption as if  
55 it had been duly enacted by the state legislature and approved by the  
56 governor.

1 (2) Form of Resolution: Be it enacted by the (insert proper title of  
2 local legislative body) as follows:

3 Section one. Receipts from sales of and consideration given or  
4 contracted to be given for, or for the use of, alternative energy  
5 systems exempt from state sales and compensating use taxes pursuant to  
6 paragraph forty-seven of subdivision (a) of section 1115 of the New York  
7 tax law shall also be exempt from sales and compensating use taxes  
8 imposed in this jurisdiction.

9 Section two. This resolution shall take effect March 1, (insert the  
10 year, but not earlier than the year 2026) and shall apply to sales made  
11 and uses occurring on or after such date in accordance with the applica-  
12 ble transitional provisions of sections 1106 and 1217 of the New York  
13 tax law.

14 § 9. Notwithstanding any other provision of state or local law, ordi-  
15 nance or resolution to the contrary: (a) Any county or city imposing  
16 sales and compensating use taxes pursuant to the authority of subpart B  
17 of part 1 of article 29 of the tax law, acting through its local legis-  
18 lative body, is hereby authorized and empowered to elect to provide the  
19 exemption from such taxes for alternative energy systems exempt from  
20 state sales and compensating use taxes described in paragraph 45 of  
21 subdivision (a) of section 1115 of the tax law, whether such taxes are  
22 imposed by local law, ordinance or resolution, by enacting a resolution  
23 exactly in the form set forth in subdivision (c) of this section; where-  
24 upon, upon compliance with the provisions of subdivision (d) of this  
25 section, such enactment of such resolution shall be deemed to amend such  
26 local law, ordinance or resolution imposing such taxes, and such local  
27 law, ordinance or resolution shall thenceforth be deemed to incorporate  
28 such exemption.

29 (b) Any city of one million or more in which the taxes imposed by  
30 section 1107 of the tax law are in effect, acting through its local  
31 legislative body, is hereby authorized and empowered to elect to provide  
32 the exemption from such taxes for the same alternative energy systems  
33 exempt from state sales and compensating use taxes described in para-  
34 graph 45 of subdivision (a) of section 1115 of the tax law by enacting a  
35 resolution exactly in the form set forth in subdivision (c) of this  
36 section; whereupon, upon compliance with the provisions of subdivision  
37 (d) of this section, such enactment of such resolution shall be deemed  
38 to amend such section 1107 of the tax law and such section 1107 shall  
39 thenceforth be deemed to incorporate such exemption as if it had been  
40 duly enacted by the state legislature and approved by the governor and  
41 such resolution shall also be deemed to amend any local law, ordinance  
42 or resolution enacted by such a city imposing such taxes pursuant to the  
43 authority of subdivision (a) of section 1210 of the tax law, whether or  
44 not such taxes are suspended at the time such city enacts its resol-  
45 ution.

46 (c) Form of Resolution:

47 Be it enacted by the (insert proper title of local legislative body)  
48 as follows:

49 Section one: The (county or city) of (insert locality's name) hereby  
50 elects the alternative energy systems exemption commencing in January of  
51 2026.

52 Section two: This resolution shall take effect immediately and shall  
53 apply to sales made and uses occurring on or after such date, in accord-  
54 ance with applicable transitional provisions of the New York tax law.

55 (d) A resolution adopted pursuant to this section shall be effective  
56 only if it is adopted exactly as set forth in subdivision (c) of this

1 section and such county or city adopts it by December 31, 2025, mails a  
2 certified copy of it to the commissioner of taxation and finance by  
3 certified mail by such date and otherwise complies with the requirements  
4 of subdivisions (d) and (e) of section 1210 of the tax law.

5 § 10. This act shall take effect immediately and shall expire and be  
6 deemed repealed two years after such date and shall apply to sales made  
7 and uses occurring during exemption periods on or after that date in  
8 accordance with the applicable transitional provisions of sections 1106  
9 and 1217 of the tax law.