

# STATE OF NEW YORK

3803

2025-2026 Regular Sessions

## IN SENATE

January 30, 2025

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to providing a tax credit for the purchase or conversion of an electric vessel or zero emission vessel; and to providing a tax credit for electric vessel recharging property

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

1 Section 1. The tax law is amended by adding a new section 50 to read  
2 as follows:

3 § 50. Electric and zero emission vessel tax credit. (a) Allowance of  
4 credit. (1) A taxpayer that purchases a qualifying electric vessel or  
5 zero emission vessel, that meets the eligibility requirements of subdivi-  
6 vision (b) of this section and that is subject to tax under article  
7 nine-A or twenty-two of this chapter may claim an electric and zero  
8 emission vessel tax credit against such tax in the taxable year in which  
9 the purchase is made. A taxpayer that converts a vessel to a qualifying  
10 electric vessel or zero emission vessel, that meets the eligibility  
11 requirements of subdivision (b) of this section and that is subject to  
12 tax under article nine-A or twenty-two of this chapter may claim an  
13 electric and zero emission vessel tax credit against such tax in the  
14 taxable year in which the conversion is made.

15 (2) The amount of the credit allowed under this section shall be  
16 calculated as follows:

17 (i) in the case of a qualifying electric vessel or zero emission  
18 vessel purchased after December thirty-first, two thousand twenty-five  
19 and before January first, two thousand thirty-one, thirty percent of the  
20 tax imposed upon such purchase pursuant to article twenty-eight of this  
21 chapter;

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

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1 (ii) in the case of a qualifying electric vessel or zero emission  
2 vessel purchased during a calendar year after December thirty-first, two  
3 thousand thirty-one and before January first, two thousand thirty-seven,  
4 thirty percent of the tax imposed upon such purchase pursuant to article  
5 twenty-eight of this chapter determined under this paragraph for the  
6 preceding calendar year, reduced by five percentage points for each year  
7 after two thousand thirty-one; and

8 (iii) in the case of a vessel converted to a qualifying vessel after  
9 December thirty-first, two thousand twenty-five and before January  
10 first, two thousand thirty-one, thirty percent of the tax imposed upon  
11 the cost of such conversion pursuant to article twenty-eight of this  
12 chapter; and

13 (iv) in the case of a vessel converted to a qualifying vessel during a  
14 calendar year after December thirty-first, two thousand thirty-one and  
15 before January first, two thousand thirty-seven, thirty percent of the  
16 tax imposed upon the cost of such conversion pursuant to article twen-  
17 ty-eight of this chapter determined under this paragraph for the preced-  
18 ing calendar year, reduced by five percentage points for each year after  
19 two thousand thirty-one.

20 (3) No credit shall be allowed for a qualifying vessel purchased or  
21 converted after December thirty-first, two thousand thirty-seven.

22 (4) A taxpayer that is a partner in a partnership, member of a limited  
23 liability company or shareholder in a subchapter S corporation shall be  
24 allowed its pro rata share of the credit earned by the partnership,  
25 limited liability company or subchapter S corporation that meets the  
26 eligibility criteria described in subdivision (b) of this section to  
27 claim an electric and zero emission vessel tax credit. In no event may  
28 the total amount of the credit earned by the partnership, limited  
29 liability company or subchapter S corporation exceed forty thousand  
30 dollars for all vessels in any tax year.

31 (5) No cost or expense paid or incurred by the taxpayer that is  
32 included as part of the calculation of this credit shall be the basis of  
33 any other tax credit allowed under this chapter.

34 (b) Eligibility criteria. To be eligible to claim an electric and zero  
35 emission vessel tax credit, a taxpayer must:

36 (1) (i) purchase an electric vessel or zero emission vessel during the  
37 calendar year for which the credit is claimed; or (ii) convert a vessel  
38 to a qualifying vessel during the calendar year for which the credit is  
39 claimed;

40 (2) pay taxes pursuant to article twenty-eight of this chapter on: (i)  
41 the purchase of the electric vessel or zero emission vessel; or (ii) the  
42 purchase of equipment and/or services to convert the vessel to a quali-  
43 fying vessel;

44 (3) register the vessel in this state for at least six months of the  
45 taxable year in which the credit is claimed;

46 (4) purchase the vessel for personal use or lease, not for re-sale;  
47 and

48 (5) in the case of a conversion, submit an application to and obtain  
49 approval of such application by the department describing the conversion  
50 and approved costs to complete such conversion.

51 (c) Definitions. As used in this section the following terms shall  
52 have the following meanings:

53 (1) "Vessel" means a vessel as defined in section twenty-two hundred  
54 fifty of the vehicle and traffic law that is an electric vessel or a  
55 zero emission vessel.

1 (2) "Electric vessel" means a commercially available, mass-produced  
2 vessel originally equipped by the manufacturer with an on board electric  
3 propulsion system or a vessel retrofitted with an electric propulsion  
4 system, provided the vehicle owner can provide supporting documentation  
5 of such retrofit. "Electric vessel" includes: (i) an electric vessel  
6 that has a battery that is recharged by connecting the vessel to an  
7 external power source; and (ii) a plug-in hybrid electric vessel that  
8 has a battery that be can be recharged by connecting the vessel to an  
9 external power source or by an onboard internal-combustion engine and  
10 generator.

11 (3) "Zero emission vessel" means a vessel powered by means of a  
12 battery or fuel cell or a combination thereof, or another source of  
13 power, that produces zero exhaust emissions of any greenhouse gas,  
14 criteria pollutant or precursor pollutant under any and all possible  
15 operational modes and conditions.

16 (4) "Qualifying vessel" means an electric vessel or zero emission  
17 vessel as designated by the department or a vessel that has been  
18 converted to an electric vessel or zero emission vessel as provided in  
19 subdivision (d) of this section.

20 (d) Qualifying vessels. (1) The department, in consultation with the  
21 department of environmental conservation, shall compile a list of elec-  
22 tric vessels and zero emission vessels that qualify for an electric and  
23 zero emission vessel tax credit.

24 (2) The department, in consultation with the department of environ-  
25 mental conservation, shall develop guidelines for the conversion of a  
26 vessel to a qualifying vessel and shall develop an application process  
27 to certify the expenses necessary for the conversion. A taxpayer will  
28 not be eligible to claim the credit unless he or she has completed the  
29 application process and the application has been approved by the depart-  
30 ment.

31 (e) Information sharing. The department and the department of environ-  
32 mental conservation shall be allowed and are directed to share and  
33 exchange information regarding the information contained on the credit  
34 application for claiming the electric and zero emission vessel tax cred-  
35 it and such information exchanged between the department and the depart-  
36 ment of environmental conservation shall not be subject to disclosure or  
37 inspection under the state's freedom of information law.

38 (f) Cross references. For application of the credit provided for in  
39 this section, see the following provisions of this chapter:

40 (1) article 9-A: section 210-B, subdivision 61; and

41 (2) article 22: section 606, subsection (bbb).

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

44 61. Electric and zero emission vessel tax credit. (a) Allowance of  
45 credit. A taxpayer will be allowed a credit, to be computed as provided  
46 in section fifty of this chapter, against the taxes imposed by this  
47 article.

48 (b) Application of credit. The credit allowed under this subdivision  
49 for the taxable year will not reduce the tax due for such year to less  
50 than the amount prescribed in paragraph (d) of subdivision one of  
51 section two hundred ten of this article. However, if the amount of cred-  
52 it allowed under this subdivision for the taxable year reduces the tax  
53 to such amount or if the taxpayer otherwise pays tax based on the fixed  
54 dollar minimum amount, any amount of credit not deductible in such taxa-  
55 ble year will be treated as an overpayment of tax to be credited or  
56 refunded in accordance with the provisions of section one thousand

1 eighty-six of this chapter. Provided, however, the provisions of  
2 subsection (c) of section one thousand eighty-eight of this chapter  
3 notwithstanding, no interest will be paid thereon.

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

7 <u>(lii) Electric and zero</u>	<u>Amount of credit under</u>
8 <u>emission vessel tax credit</u>	<u>subdivision sixty-one of</u>
9 <u>under subsection (bbb)</u>	<u>section two hundred ten-B</u>

10 § 4. Section 606 of the tax law is amended by adding a new subsection  
11 (bbb) to read as follows:

12 (bbb) Electric and zero emission vessel tax credit. (1) Allowance of  
13 credit. A taxpayer shall be allowed a credit, to be computed as provided  
14 in section fifty of this chapter, against the tax imposed by this arti-  
15 cle.

16 (2) Application of credit. If the amount of the credit allowed under  
17 this subsection for the taxable year exceeds the taxpayer's tax for such  
18 year, the excess will be treated as an overpayment of tax to be credited  
19 or refunded in accordance with the provisions of section six hundred  
20 eighty-six of this article, provided, however, that no interest will be  
21 paid thereon.

22 § 5. Subdivision 3 of section 187-b of the tax law is amended by  
23 adding a new paragraph (c) to read as follows:

24 (c) The term "vehicle" includes a vessel as defined in section fifty  
25 of this chapter.

26 § 6. Paragraph (c) of subdivision 30 of section 210-B of the tax law  
27 is amended by adding a new subparagraph (iii) to read as follows:

28 (iii) The term "vehicle" includes a vessel as defined in section fifty  
29 of this chapter.

30 § 7. Paragraph 3 of subsection (p) of section 606 of the tax law is  
31 amended by adding a new subparagraph (C) to read as follows:

32 (C) The term "vehicle" includes a vessel as defined in section fifty  
33 of this chapter.

34 § 8. Severability. If any provision of this act, or any application of  
35 any provision of this act, is held to be invalid, that shall not affect  
36 the validity or effectiveness of any other provision of this act, or of  
37 any other application of any provision of this act, which can be given  
38 effect without that provision or application; and to that end, the  
39 provisions and applications of this act are severable.

40 § 9. This act shall take effect immediately and shall apply to taxable  
41 years beginning on or after January 1, 2026.