

STATE OF NEW YORK

7073

2025-2026 Regular Sessions

IN SENATE

April 1, 2025

Introduced by Sen. FAHY -- 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 exempting the sale of the first thirty-five thousand dollars of a battery, electric, or plug-in hybrid electric vehicle from state sales and compensating use taxes, and to authorize cities and counties to elect such exemption

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

1 Section 1. Subdivision (a) of section 1115 of the tax law is amended
2 by adding a new paragraph 47 to read as follows:

3 (47) (i) Half of the receipts from the first thirty-five thousand
4 dollars of the retail sale or lease of a new battery, electric, or plug-
5 in hybrid electric vehicle. For purposes of this paragraph the term
6 "battery, electric, or plug-in hybrid electric vehicle" means a motor
7 vehicle, as defined in section one hundred twenty-five of the vehicle
8 and traffic law, that:

9 (A) has four wheels;

10 (B) was manufactured for use primarily on public streets, roads and
11 highways;

12 (C) the powertrain of which has not been modified from the original
13 manufacturer's specifications;

14 (D) is rated at not more than eight thousand five hundred pounds gross
15 vehicle weight, or is a school bus, as defined in section one hundred
16 forty-two of the vehicle and traffic law;

17 (E) has a maximum speed capability of at least fifty-five miles per
18 hour; and

19 (F) is propelled at least in part by an electronic motor and associ-
20 ated power electronics which provide acceleration torque to the drive
21 wheels sometime during normal vehicle operation, and that draws elec-
22 tricity from a battery that:

23 (I) has a capacity of not less than four kilowatt hours; and

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

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1 (II) is capable of being recharged from an external source of elec-
2 tricity.

3 (ii) All of the receipts from the first thirty-five thousand dollars
4 of the retail sale or lease of a new battery, electric, or plug-in
5 hybrid electric vehicle, where such vehicle is assembled in the United
6 States utilizing union labor.

7 § 2. Section 1160 of the tax law is amended by adding a new subdivi-
8 sion (d) to read as follows:

9 (d) The new battery, electric, or plug-in hybrid electric vehicles
10 exemption provided for in paragraph forty-seven of subdivision (a) of
11 section eleven hundred fifteen of this chapter shall not apply to or
12 limit the imposition of the tax imposed pursuant to this article.

13 § 3. Subparagraph (ii) of paragraph 1 of subdivision (a) of section
14 1210 of the tax law, as amended by section 5 of part J of chapter 59 of
15 the laws of 2021, is amended to read as follows:

16 (ii) Any local law, ordinance or resolution enacted by any city, coun-
17 ty or school district, imposing the taxes authorized by this subdivi-
18 sion, shall omit the residential solar energy systems equipment and
19 electricity exemption provided for in subdivision (ee), the commercial
20 solar energy systems equipment and electricity exemption provided for in
21 subdivision (ii), the commercial fuel cell electricity generating
22 systems equipment and electricity generated by such equipment exemption
23 provided for in subdivision (kk) ~~[and]~~, the clothing and footwear
24 exemption provided for in paragraph thirty of subdivision (a) of section
25 eleven hundred fifteen of this chapter, and the battery, electric, or
26 plug-in hybrid electric vehicle exemption provided for in paragraph
27 forty-seven of subdivision (a) of section eleven hundred fifteen of this
28 chapter unless such city, county or school district elects otherwise as
29 to such residential solar energy systems equipment and electricity
30 exemption, such commercial solar energy systems equipment and electric-
31 ity exemption, commercial fuel cell electricity generating systems
32 equipment and electricity generated by such equipment exemption ~~[or]~~,
33 such clothing and footwear exemption, or such battery, electric, or
34 plug-in hybrid electric vehicle exemption provided for in paragraph
35 forty-seven of subdivision (a) of section eleven hundred fifteen of this
36 chapter.

37 § 4. Paragraph 47 of subdivision (a) of section 1115 of the tax law,
38 as added by section one of this act, is amended to read as follows:

39 (47) (i) Half of the receipts from the first thirty-five thousand
40 dollars of the retail sale or lease of a new battery~~[, or~~ or electric~~[, or~~
41 ~~plug-in hybrid electric]~~ vehicle. For purposes of this paragraph the
42 term "battery~~[, or~~ or electric~~[, or plug-in hybrid electric]~~ vehicle"
43 means a motor vehicle, as defined in section one hundred twenty-five of
44 the vehicle and traffic law, that:

45 (A) has four wheels;

46 (B) was manufactured for use primarily on public streets, roads and
47 highways;

48 (C) the powertrain of which has not been modified from the original
49 manufacturer's specifications;

50 (D) is rated at not more than eight thousand five hundred pounds gross
51 vehicle weight, or is a school bus, as defined in section one hundred
52 forty-two of the vehicle and traffic law;

53 (E) has a maximum speed capability of at least fifty-five miles per
54 hour; and

55 (F) is propelled ~~[at least in part]~~ by an electronic motor and associ-
56 ated power electronics which provide acceleration torque to the drive

1 wheels sometime during normal vehicle operation, and that draws elec-
2 tricity from a battery that:

3 (I) has a capacity of not less than four kilowatt hours; and

4 (II) is capable of being recharged from an external source of elec-
5 tricity.

6 (ii) All of the receipts from the first thirty-five thousand dollars
7 of the retail sale or lease of a new battery[~~7~~] ~~or electric[~~7~~ or plug-in~~
8 ~~hybrid-electric~~] vehicle, where such vehicle is assembled in the United
9 States utilizing union labor.

10 § 5. Subdivision (d) of section 1160 of the tax law, as added by
11 section two of this act, is amended to read as follows:

12 (d) The new battery[~~7~~] ~~or electric[~~7~~ or plug-in hybrid-electric~~ vehi-
13 cles exemption provided for in paragraph forty-seven of subdivision (a)
14 of section eleven hundred fifteen of this chapter shall not apply to or
15 limit the imposition of the tax imposed pursuant to this article.

16 § 6. Subparagraph (ii) of paragraph 1 of subdivision (a) of section
17 1210 of the tax law, as amended by section three of this act, is amended
18 to read as follows:

19 (ii) Any local law, ordinance or resolution enacted by any city, coun-
20 ty or school district, imposing the taxes authorized by this subdivi-
21 sion, shall omit the residential solar energy systems equipment and
22 electricity exemption provided for in subdivision (ee), the commercial
23 solar energy systems equipment and electricity exemption provided for in
24 subdivision (ii), the commercial fuel cell electricity generating
25 systems equipment and electricity generated by such equipment exemption
26 provided for in subdivision (kk), the clothing and footwear exemption
27 provided for in paragraph thirty of subdivision (a) of section eleven
28 hundred fifteen of this chapter, and the battery[~~7~~] ~~or electric[~~7~~ or~~
29 ~~plug-in hybrid-electric~~] vehicle exemption provided for in paragraph
30 forty-seven of subdivision (a) of section eleven hundred fifteen of this
31 chapter unless such city, county or school district elects otherwise as
32 to such residential solar energy systems equipment and electricity
33 exemption, such commercial solar energy systems equipment and electric-
34 ity exemption, commercial fuel cell electricity generating systems
35 equipment and electricity generated by such equipment exemption, such
36 clothing and footwear exemption, or such battery[~~7~~] ~~or electric[~~7~~ or~~
37 ~~plug-in hybrid-electric~~] vehicle exemption provided for in paragraph
38 forty-seven of subdivision (a) of section eleven hundred fifteen of this
39 chapter.

40 § 7. This act shall take effect on the first day of a sales tax quar-
41 terly period, as described in subdivision (b) of section 1136 of the tax
42 law, beginning at least one hundred twenty days after the date this act
43 shall have become a law and shall apply to sales made on or after such
44 date; provided, however, that sections four, five and six of this act
45 shall take effect ten years after such effective date and shall apply to
46 sales made on and after such date.