

STATE OF NEW YORK

2626

2025-2026 Regular Sessions

IN SENATE

January 21, 2025

Introduced by Sens. HARCKHAM, GONZALEZ, HINCHEY, HOYLMAN-SIGAL, MAY, ROLISON, SALAZAR, SANDERS -- 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 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-six 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-six, and ten thousand dollars for qualified solar energy
16 equipment placed in service on or after January first, two thousand
17 twenty-six.

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~~ their prin-

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

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1 cipal residence at the time the solar energy system equipment is placed
2 in service;

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

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

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

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

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

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

54 (4) Multiple taxpayers. Where solar energy system equipment is
55 purchased and installed in a principal residence shared by two or more
56 taxpayers, the amount of the credit allowable under this subsection for

1 each such taxpayer shall be prorated according to the percentage of the
2 total expenditure for such solar energy system equipment contributed by
3 each taxpayer.

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

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

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

22 (8) Carryover of credit and refundability. If the amount of the cred-
23 it, and carryovers of such credit, allowable under this subsection for
24 any taxable year shall exceed the taxpayer's tax for such year, such
25 excess amount may be carried over to the five taxable years next follow-
26 ing the taxable year with respect to which the credit is allowed and may
27 be deducted from the taxpayer's tax for such year or years. For taxable
28 years beginning on or after January first, two thousand twenty-six, if
29 the amount of the credit allowable under this subsection shall exceed
30 the taxpayer's tax liability for such year, and the taxpayer meets the
31 definition of low to moderate income, as defined in subdivision (c) of
32 section nine hundred seventy-c of the general municipal law, or resides
33 in a disadvantaged community, as defined in subdivision five of section
34 75-0101 of the environmental conservation law, the excess shall be
35 treated as an overpayment of tax to be credited or refunded in accord-
36 ance with the provisions of section six hundred eighty-six of this arti-
37 cle, provided, however, that no interest shall be paid thereon.

38 § 2. This act shall take effect immediately.