STATE OF NEW YORK

3252

2025-2026 Regular Sessions

IN SENATE

January 24, 2025

Introduced by Sen. PALUMBO -- 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 establishing a residential fuel oil storage tank credit and to direct the office of temporary and disability assistance to establish a program to assist eligible households in the replacement of residential fuel oil storage tanks

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

Section 1. Section 606 of the tax law is amended by adding a new subsection (p-1) to read as follows:

(p-1) Residential fuel oil storage tank credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as hereinafter provided, against the tax imposed by this article for the removal or permanent closure and installation of a below-ground or above-ground residential fuel oil storage tank used to provide heating fuel for single family, two family, three family and four family residences located in this state.

(2) Amount of credit. The amount of the credit shall be equal to the costs of removal or permanent closure of an existing below-ground or above-ground residential fuel oil tank and the purchase and installation costs of a new below-ground or above-ground residential fuel oil storage tank which is installed during the taxable year where such new tank is used in place of such formerly used below-ground or above-ground residential fuel oil tank which was removed or permanently closed during the taxable year, not to exceed five hundred dollars.

(3) Limitation. A credit allowed under this subsection may be allowed only once with respect to a particular residence.

(4) Carryover. If the amount of the credit allowable under this subsection exceeds the taxpayer's tax for any taxable year, the excess may be carried over to the following year or years and may be deducted from the taxpayer's tax for such year or years.

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

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(5) To qualify for the credit established by this subsection, a replacement fuel oil storage tank must be installed and shall be of a design approved by Underwriters Laboratories (U.L.), as follows:

(A) U.L. 80: A steel tank with a polyurethane exterior coating;

(B) U.L. 80: A steel tank with a double-bottom leak protection system, with or without a polyurethane exterior coating;

(C) U.L. 80 steel tank, without a polyurethane exterior coating, provided that such tank is located inside a sealed, leak-proof secondary containment structure listed to U.L. 2258 (non-metallic tub for oil tanks), wherein such structure has a volumetric capacity of 110% of the inside tank;

(D) U.L. 2558: A double wall tank consisting of an interior polyethylene tank placed inside a secondary liquid-tight metallic tank;

(E) U.L. 2558: A single wall or double wall fiberglass tank; or

(F) U.L. 58 and U.L. 1746-Part 1: A Steel Tank Institute P-3 tank with cathodic protection.

A standard unprotected single wall oil storage tank listed to U.L. 80 is not permitted as a replacement tank and will not be eligible for the tax credit provided herein.

§ 2. The office of temporary and disability assistance shall develop a program utilizing the heating energy assistance program (HEAP) to assist eligible households to remove/permanently close and replace existing fuel oil storage tanks and to promulgate such regulations and apply for such permissions and waivers from the United States government as may be necessary to do so. To qualify for assistance, a replacement fuel oil storage tank must be installed and shall be of a design as specified in paragraph (5) of subsection (p-1) of section 606 of the tax law.

§ 3. This act shall take effect immediately.