



NEW YORK STATE SENATOR

Frank Padavan

Senate Passes NYC Property Tax Abatement for Alternative and Renewable Energy Source

FRANK PADAVAN June 11, 2008

The New York State Senate today passed legislation sponsored by Senator Frank Padavan (Queens) that would provide an incentive for New York City residents and businesses to use solar power.

The legislative measure (S.8145) provides a four-year property tax abatement for the construction and installation of a solar generating system for class one (residential), class two (condominiums/cooperative apartments) and class four (commercial) properties within the City of New York.

“With energy prices continuing to soar and with no certain end in sight, we must take the necessary steps to foster the use of alternative and renewable energy sources,” Padavan said. “This legislation provides incentives for New York City residents and businesses to invest in cleaner, efficient and cost effective solar power. This property tax abatement is essential and will allow City residents and businesses to help offset some of the investment associated with the construction and placement solar panels on their property.”

The amount of the property tax abatement a taxpayer can receive depends on when the system is operational. If the solar electric generating system is in service before January 1, 2011 the amount of the property tax abatement would be 8 3/4 % of eligible expenditures in

each of the four years of the compliance period. If the system is placed into service between January 1, 2011 and January 1, 2013, the amount of property tax abatement would be 5 percent over the four year period.

Under the legislation “eligible solar electric generating system expenditure” is defined as reasonable expenditures for materials, certain labor costs, assembly and original installation, architectural and design services and plans related to the construction or installation of the solar electric generating system.

The property tax abatement for solar electric generating systems is a key part of Mayor Bloomberg’s PLANYC 2030 and is supported by the Campaign for New York’s Future. The bill is sponsored in the Assembly (A.11202) by Assembly Herman D. Farrell (D-Manhattan) where it currently is in the Ways and Means committee.

“This legislation is another step in the progress we are making in moving toward a long term alternative and renewable energy plan for our city and state. This is perfect example of legislative initiatives that serve as building blocks for our economic and environmental future,” Padavan said.

Last month, the state Senate passed legislation, co-sponsored by Senator Padavan that would provide a state business tax credit for alternative energy systems and generating equipment. Specifically, the legislation provides a tax credit for eligible solar and wind energy system equipment equal to 50 percent of the qualified expenses incurred by a business. The legislation also provides a tax credit equal 45 percent for qualified expenses related to eligible fuel cell electric generating equipment.