



NEW YORK STATE SENATOR

Frank Padavan

Senate Passes Bill Providing Business Tax Credit For Alternative Energy Systems

FRANK PADAVAN May 18, 2008

The New York State Senate today passed legislation, co-sponsored by Senator Frank Padavan (Queens), that would establish a tax credit for alternative energy systems and generating equipment. The legislation is one of a number of legislative initiatives in the state Senate designed to increase availability of alternative energy sources throughout New York state.

“With energy costs reaching all-time record highs, we must do everything we can to encourage the use of alternative energy sources,” Padavan said. “By providing a tax credit for businesses who invest in solar and fuel cell technology we would take a major step forward in our efforts on the state level to establish a statewide energy plan that focuses on alternative and renewable energy sources.”

Specifically, the legislation provides a business tax credit for eligible solar and wind energy system equipment equal to fifty percent of the qualified expenses incurred by a taxpayer. The legislation also provides a tax credit equal to 45 percent for qualified expense related to eligible fuel cell electric generating equipment.

The New York State Department of Taxation and Finance would establish the qualified expenditures for the tax credit in consultation with Department of Environmental Conservation (DEC) and the New York State Energy Research and Development Authority (NYSERDA).

“Ultimately, the tax credits contained in this legislation will help businesses who willingly invest in solar and fuel cell technology offset the construction cost for these energy sources,” Padavan said. “This is a common sense approach that will not only help businesses reduce their energy costs in the long run but it will also help protect our environment through clean, renewable and sustainable energy.”

Existing state law already contains provisions for a personal income tax credit for individuals who purchase solar energy technology for residential use.

The legislation was sent to the Assembly.