



NEW YORK STATE SENATOR

Andrew J. Lanza

Senator Lanza Authors New Law to Make Solar Power More Affordable for Homeowners and Businesses

ANDREW J LANZA August 21, 2012

As Part of the NY-SUN Initiative, Bills Will Increase Solar Installations and Lead to New Investments in New York's Growing Solar Energy Sector

Governor Andrew M. Cuomo today signed a series of bills as part of the NY-Sun initiative that will make solar energy more affordable for homeowners and businesses as well as create new jobs in the state's growing solar energy sector.

The new laws include statewide tax credits for the lease of solar equipment and power purchase agreements (A.34-B/S.149-B), statewide sales tax exemptions for commercial solar equipment (A.5522-B/S.3203-B) and an extension of the real property tax abatement in New York City for solar installations (A.10620/S.7711).

"The bills signed today continue to build momentum for the state's NY-Sun Initiative by accelerating the installation of solar power while making it a more affordable option for residents and businesses," Governor Cuomo said. "Together with other NY-Sun incentives, these bills demonstrate the state's commitment to reducing energy costs, growing our green energy sector, creating jobs, and protecting the environment."

NY-Sun calls for the installation in 2012 of twice the customer-sited solar electricity capacity that was added during 2011, and quadruple that amount in 2013.

Francis J. Murray Jr., President and CEO, New York State Energy Research and Development Authority (NYSERDA), said, "Governor Cuomo's NY-Sun Initiative continues to send the message that New York is ramping up its efforts to deploy solar energy and develop the advanced technologies to support the state's growing clean energy economy. New York is focused on expanding and developing its renewable energy resources, ensuring the state maintains a diverse renewable energy portfolio."

Statewide Tax Credits for Leased Solar Systems

This new law provides statewide tax credits for homeowners who obtain solar equipment through a lease or a power purchase agreement, where the agreement spans at least ten years. The tax credit would be available for up to 14 years with a maximum of \$5,000 for all years.

The use of solar leases and power purchase agreements – alternatives to traditional purchase of solar energy generating systems – has grown significantly over the past few years. This new business model has the potential to significantly increase the pace of solar energy installations in the State, as it often reduces or eliminates upfront costs to the customer.

The law takes effect immediately.

Sales Tax Exemptions on Commercial Solar Systems

The law exempts the sale and installation of commercial solar energy systems equipment from sales taxes, and allows municipalities and cities to exclude these costs from local sales tax.

This bill assists in the installation of solar on commercial buildings, as these properties generally have large rooftops and are high energy-demand consumers.

The law takes effect January 1, 2013.

New York City Real Property Tax Law Abatement

The law extends the property tax abatement available to solar energy generating systems in New York City through 2013 and 2014. This extension will help mitigate the cost of installing solar installations in the City.

Eligible solar electric generating system expenditures include reasonable expenditures for materials, labor costs properly allocable to on-site preparation, assembly and original installation, architectural and engineering services, and designs and plans directly related to the construction or installation of the solar electric generating system.

The law takes effect January 1, 2013.

Senator George D. Maziarz, sponsor of S.149-B and S.S3203-B, said, “By signing this legislation today, Governor Cuomo is taking another step to make New York a leader in renewable energy generation. I was proud to sponsor both of these bills in the New York State Senate, and believe strongly that each will lead our State to a stronger energy future. By extending sales tax exemptions for the purchase of solar equipment to commercial enterprises, and by providing a significant tax credit to those that choose to lease solar equipment or purchase power generated by solar equipment, we are taking strong action to incentivize a growing industry in New York State. Governor Cuomo has been a strong partner in creating better energy policies for our state and I appreciate his support of both pieces of legislation.”

Senator Andrew J. Lanza, sponsor of S. S7711, said, “This law will promote the use of solar energy systems providing New York residents with a cleaner, more efficient and reliable energy supply. The law will also serve as an economic stimulus and I thank Mayor Bloomberg and Governor Cuomo for their leadership on the energy front here in New York.”

Assembly Member Steve Englebright, sponsor of A.5522-B, said, "We can simultaneously create new jobs and achieve the goals set for New York State's electricity needs through clean renewable energy. Under

Governor Cuomo's leadership, we will be doing just that by encouraging large-scale commercial investment in solar energy by eliminating all state sales taxes on commercial solar purchases and installations."

Assembly Member Herman D. Farrell Jr., sponsor of A.10620, said, "This is a very good bill for the tenants in the city; it will further stimulate clean energy investment and job creation throughout New York City. I would like to thank the Governor for signing this important legislation."

Carol E. Murphy, executive director of Alliance for Clean Energy New York (ACE NY), said, "We commend Governor Cuomo and our legislative leaders for their ongoing support of New York's growing solar industry. The signing of these bills marks another important step forward in improving and expanding the opportunities for solar investment and will go a long way towards strengthening the state's clean energy economy."

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