



Solar Electric Generating Equipment Credit

Tax Law - Section 606(g-1)

IT-255



Name(s) as shown on return	Your social security number										
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Attach this form to Form IT-201 or Form IT-203.

Computation of Credit

1	Enter your total expenditures for solar electric generating equipment	1		
2	Enter the portion of the expenditures made from nontaxable federal, state and local grants (see instructions)	2		
3	Enter any interest and other finance charges included in line 1 (see instructions) ..	3		
4	Add lines 2 and 3	4		
5	Qualified solar electric generating equipment expenditures (subtract line 4 from line 1)	5		
6	Enter in watts (maximum 10,000) the maximum rated capacity of the equipment (see instructions)	6		
If the rated capacity of the system exceeds ten kilowatts (10,000 watts), stop; you do not qualify for this credit.				
7	New York State expenditure cap rate (\$6.00 per watt)	7	6	00
8	Multiply line 6 by line 7	8		
9	Enter the amount from line 5 or line 8, whichever is less.	9		
10	New York State solar credit rate (25%)	10		.25
11	Multiply line 9 by line 10 (cannot exceed \$3,750). This is the credit for your principal residence. (If more than one member of your principal residence is filing Form IT-255, see instructions.)	11		

Transfer the amount on line 11 of this form to Form IT-201-ATT, line 39 or Form IT-203-ATT, line 42. Attach Form IT-255 to your return.

Instructions

General Instructions

The solar electric generating equipment credit is allowed for taxable years beginning on or after January 1, 1998, for the purchase and installation of an eligible solar electric generating equipment system. The credit is 25% of the qualified solar electric generating equipment expenditures for the purchase and installation of a system that generates solar electric energy for residential use. The equipment must be installed and used at the taxpayer's principal residence in New York State and must be placed in service on or after January 1, 1998.

Before you can qualify for the credit, you must enter into a net energy metering contract with your electric corporation or comply with the electric corporation's net energy metering schedule. The completed solar electric generating equipment system must also be connected to the electric corporation's transmission and distribution facility. Other conditions and limitations set by the electric company may also apply. You should contact your electric company for more information before you purchase your equipment.

If your credit is greater than the amount of tax you owe, the balance will **not** be refunded to you. However, any credit amount in excess of the tax due for 1998 can be carried over for a maximum of up to five years.

Definitions

Solar electric generating equipment means a manufactured photovoltaic system with a rated capacity of not more than ten kilowatts (10,000 watts) which, when installed at a residence, uses solar energy to generate electricity for use in the residence. It must be operated in accordance with applicable government and industry standards, and must also be operated in conjunction with an electric corporation's transmission and distribution facilities.

Qualified solar electric generating equipment expenditures means expenditures, limited to the expenditure cap, for the purchase of solar electric generating equipment which is installed and used at residential property located in New York State that is your principal residence at the time the solar electric generating equipment is placed in service.

Qualified expenditures include expenditures for materials, labor costs properly allocated 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 equipment.

(continued on back)

Expenditures made with nontaxable federal, state and local grants and any interest or finance charges do not qualify as solar electric generating equipment expenditures.

Expenditure cap means six dollars multiplied by the number of watts (not to exceed 10,000 watts) included in the rated capacity of the solar electric generating equipment.

Principal residence means the home where you and your family live most of the time. A summer or vacation home does not qualify. Your principal residence can be a house, whether owned or rented, a mobile home, cooperative apartment or condominium. If you move from one principal residence to another principal residence in New York State, a separate credit is allowed for each principal residence. You must file separate Forms IT-255 to compute your allowable credit for each principal residence.

If you occupy a principal residence with another taxpayer or taxpayers, the amount of the credit allowable to each taxpayer is prorated according to the percentage of the total eligible expenditures contributed by each taxpayer. However, a husband and wife filing a joint return do not have to prorate the credit.

Filling in your tax return

This form has been designed to let us use the latest scanning and image-processing equipment.

Please write your numbers like this in the scannable entry area on line 11:

1	2	3	4	5	6	7	8	9	0
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Line Instructions

Line 2 – If any of the expenditures on line 1 were paid for with a nontaxable federal, state or local grant, enter the amount of the grant on line 2. Do not include any grant that you were required to include in your federal adjusted gross income in the year received.

Line 3 – If line 1 includes any interest or other finance charges, include that amount on line 3. Do not include any finance or interest charge not included in line 1.

Line 6 – If the maximum rated capacity of the equipment is stated in kilowatts instead of watts, multiply the kilowatts by 1,000 to obtain the number of watts. If the rated capacity of the system exceeds ten kilowatts (10,000 watts), **stop**; you do not qualify for the credit.

Line 11 – If you occupy a principal residence with another taxpayer, or taxpayers, the amount of credit allowable to each taxpayer is prorated according to the percentage of the total eligible expenditures contributed by each taxpayer. The maximum credit cannot exceed \$3,750.

Enter only your share of the line 11 amount on Form IT-201-ATT or Form IT-203-ATT. Also, attach a statement showing the name of each taxpayer of the residence and the total expenditures contributed by each taxpayer.

For example, you and your father occupy the same residence. You each pay one-half of the cost of the equipment. You must claim one-half of the total credit on your New York State return and your father would claim the other half of the credit on his New York State return. You must each file Form IT-255 showing the computation of the total credit and attach the statement as described above.

Need Help?

Telephone Assistance is available from 8:30 a.m. to 4:25 p.m. (eastern time), Monday through Friday. **For tax information, publications, call toll free 1 800 225-5829. To order forms and publications, call toll free 1 800 462-8100. From areas outside the U.S. and outside Canada, call (518) 485-6800.**

Fax-on-Demand Forms Ordering System - Most forms are available by fax 24 hours a day, 7 days a week. Call toll free from the U.S. and Canada 1 800 748-3676. You must use a Touch Tone phone to order by fax. A fax code is used to identify each form.

Internet Access - <http://www.tax.state.ny.us>
Access our website for forms, publications, and information.

Hotline for the Hearing and Speech Impaired - If you have access to a telecommunications device for the deaf (TDD), you can get answers to your New York State tax questions by calling toll free from the U.S. and Canada 1 800 634-2110. Assistance is available from 8:30 a.m. to 4:15 p.m. (eastern time), Monday through Friday. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.

Persons with Disabilities - In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call the information numbers listed above.

Mailing Address - If you need to write, address your letter to: NYS Tax Department, Taxpayer Assistance Bureau, W A Harriman Campus, Albany NY 12227.

