

1981 Legislation

Solar and Wind Energy Credit

Chapter 852 of the Laws of 1981, enacted July 31, 1981, relettered section 606(g) to read section 606(i) of the New York State Tax Law and a new subsection 606(g) was added.

Chapter 853 of the Laws of 1981, enacted on July 31, 1981, amended the new section 606(g)(1).

These amendments allow a credit for solar and wind energy systems for taxable years beginning on or after January 1, 1981 and ending before December 31, 1986. Therefore, calendar year taxpayers may claim this credit for tax years 1981 through 1985. Fiscal year taxpayers can claim this credit for the tax years ending in 1982 through 1986.

The credit is based on the cost of purchasing and installing an active solar, passive solar or wind energy system. The description of what systems are eligible for the credit is very technical and will be further explained in Publication 312 and the Regulations, both of which are presently being formulated. In general, we will allow at least the same costs as the IRS does for renewable solar or wind energy source costs. No energy conservation or geothermal energy costs are deductible.

You must be the first person to use the system and it must be installed in your principal New York State residence. A nonresident is not entitled to the credit, including a person domiciled in New York State who qualifies as a nonresident. If a taxpayer moves from one principal residence in New York to another principal residence in New York, a separate credit is allowed for each principal residence.

The credit is limited to 55% of the purchase and installation costs, or \$2,750, whichever is less. When combined with the federal energy credit allowed for these costs, the combined amount cannot exceed 55% or \$6,750, whichever is less. The credit is not refundable - any excess can be carried forward until it is used up.

You may claim the credit whether you are a homeowner, a renter, a tenant-stockholder in a cooperative housing corporation or a member of a condominium association. If you jointly 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.

Any nontaxable federal, state or local grants which you used for the purchase and/or installation of an energy system must be deducted when you are computing the cost of the system. If you own your principal residence, your cost basis must be reduced by the amount of any energy credit allowed.

Use Form IT-218 to compute the Solar and Wind Energy credit and then enter this result on line 8 of Form IT-201-ATT.