



New Found Energy

Incentives: Solar Thermal Hot Water Systems- New York

Income Tax Credits:

The Federal Income Tax:

Credits for solar have been extended and improved! As an extension of President Barack Obama's "Bailout Bill", there is no upper limit on residential solar systems. So 30% of the cost after any State tax credits and incentives can be taken directly off your Federal Income tax. The credit was extended until December 31, 2016.

New York State Tax Credits: The credit, equal to 25% percent of the cost of equipment and installation. The credit is capped at \$5,000 for solar-energy systems placed in service on or after September 1, 2006.

Any amount of credit that exceeds a taxpayer's liability in a given tax year may be carried forward for the five following taxable years. Any amount of the system cost provided by a grant from any source is not eligible for this credit.

****Solar-energy equipment is defined as "an arrangement or combination of components utilizing solar radiation, which, when installed in a residence, produces energy designed to provide heating, cooling, hot water or electricity." The credit may not be used for pool heating or other recreational applications.

Sales Tax Exemption:

New York enacted legislation in July 2005 exempting the sale and installation of residential solar-energy systems from the state's sales and compensating use taxes. The exemption does not apply to solar pool heating or other recreational applications. There does not appear to be an expiration date for this incentive.

The law allows municipalities the option of granting the local exemption. The New York Department of Taxation and Finance publishes a variety of [sales tax reports](#) detailing local tax rates and exemptions, including those for solar energy equipment. The solar sales tax list is updated several times per year.

Grants, Loans, and Rebates

In New York State *NYSERDA* manages the processing of all applications for these incentives. These incentives recently expired and we are awaiting an update on the government's plan to reissue these incentives.