AN ACT to amend the tax law, in relation to expanding the alternative fuels credit under article 9-a

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Paragraphs (a), (b), (c), (f) and (h) of subdivision 24 of section 210 of the tax law, as added by chapter 389 of the laws of 1997, are amended to read as follows:

(a) General. (i) A taxpayer shall be allowed a credit, to be computed as hereinafter provided, against the tax imposed by this article, for electric vehicles, clean-fuel vehicle property and clean-fuel vehicle refueling property placed in service during the taxable year. Provided, however, that the credit provided for by this subdivision with respect to electric vehicles shall not be allowed to a gas corporation or an electric corporation as defined in subdivisions eleven and thirteen, respectively, of section two of the public service law, or a gas and electric corporation as described in section sixty-four of the public service law, where such corporation is subject to the supervision of the department of public service.

(ii) For purposes of this subdivision, the term “governmental unit” means the United States, any state or political subdivision thereof, any possession of the United States, or any agency or instrumentality of any of the foregoing.
For taxable years beginning in two thousand and two thousand one, in the case of electric vehicles, or clean-fuel vehicle property which is installed in or manufactured as part of a motor vehicle, where such vehicles are sold or first leased during the taxable year to a governmental unit, a credit shall be allowed, to be computed as hereinafter provided, against the tax imposed by this article, provided that (A) the taxpayer executes a written contract with such governmental unit on or before December thirty-first, nineteen hundred ninety-nine for such sale or lease of such vehicles, and (B) as a result of the production, manufacture or installation activities relating to such vehicles, at least twenty-five new full-time jobs, excluding those of general executive officers, are created in this state. The total amount of credit for both electric vehicles and clean-fuel vehicle property allowable to a taxpayer under this subparagraph for all years, taken in the aggregate, shall not exceed two million five hundred thousand dollars.

(b) Electric vehicles. The credit under this subdivision for electric vehicles shall equal fifty percent of the incremental cost of any such vehicle and the credit under this subdivision for electric vehicles sold or leased to a governmental unit shall equal fifty percent of the incremental cost of producing any such vehicle

(i) which is registered in this state or, in the case of
electric vehicles sold or leased to a governmental unit, which are manufactured in this state, and

(ii) for which a credit is allowed under section thirty of the internal revenue code (determined without regard to the limitations prescribed in subsection (b) or the elections prescribed in subsection (d) of such section, including the election with respect to section one hundred seventy-nine of such code or, in the case of electric vehicles sold or leased to a governmental unit, without regard to paragraph three of subsection (d) of such section insofar as it relates to property used by governmental units),

(iii) provided, however, the credit with respect to any such vehicle shall not exceed five thousand dollars.

(c) Clean-fuel vehicle property. The credit under this subdivision for clean-fuel vehicle property shall equal sixty percent of the cost of any such property

(i) for which a deduction is allowed under section one hundred seventy-nine-A of the internal revenue code (determined without regard to the limitations prescribed in paragraph one of subsection (b) of such section or the election referred to in subsection (e) of such section with respect to section one hundred seventy-nine of such code or, in the case of clean-fuel vehicle property which is installed in or manufactured as part of a motor vehicle sold or leased to a governmental unit, without
regard to paragraph five of subsection (e) of such section
insofar as it relates to property used by governmental units),
and

(ii) which is installed in or manufactured as part of a
motor vehicle which is registered in this state or, in the case
of clean-fuel vehicle property which is installed in or
manufactured as part of a motor vehicle sold or leased to a
governmental unit, the installation or manufacture of which takes
place in this state,

(iii) provided, however, the credit with respect to any such
vehicle shall not exceed five thousand dollars per vehicle for
vehicles with a gross vehicle weight rating of fourteen thousand
pounds or less and ten thousand dollars per vehicle for all other
vehicles.

(f) Carryovers. In no event shall the credit under this
subdivision be allowed in an amount which will reduce the tax
payable to less than the higher of the amounts prescribed in
paragraphs (c) and (d) of subsection one of this section.
Provided, however, that if the amount of credit allowable under
this subdivision for any taxable year reduces the tax to such
amount, any amount of credit not deductible in such taxable year
may be carried over to the following year or years and may be
deducted from the taxpayer’s tax for such year or years. In lieu
of carrying over any such excess, a taxpayer who qualifies for
the credit under subparagraph (ii) of paragraph (a) of this subdivision may elect to treat the amount of such carryover as an overpayment of tax to be credited or refunded in accordance with the provisions of section ten hundred eighty-six of this chapter, provided, however, the provisions of subsection (c) of section ten hundred eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

(h) Termination. [This] Subparagraph (i) of paragraph (a) of this subdivision shall not apply to property placed in service in taxable years beginning after December thirty-first, two thousand two[.] and subparagraph (ii) of paragraph (a) of this subdivision, shall not apply to property sold or first leased in taxable years beginning after December thirty-first, two thousand one.

§2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2000.