



NEW YORK STATE SENATOR

William Larkin

## Larkin And Senate Pass Comprehensive Energy Plan

[WILLIAM J. LARKIN JR.](#) January 30, 2006

Senator Bill Larkin (R-C, Cornwall-on-Hudson) today announced the Senate has passed a comprehensive energy plan that would provide \$350 million in relief from high energy costs to small businesses. The Senate also passed legislation that would provide heating assistance to more senior citizens, cap the state tax on gasoline and encourage energy conservation and alternative energy sources to lessen our dependency on foreign oil.

"Most of the new jobs in New York State are being created by small businesses," said Senator Larkin. "Businesses with fewer than 20 employees employ about 1.4 million New Yorkers. Like millions of New York homeowners, small businesses have cited high energy costs as a significant problem that is hurting their bottom lines.

The Senate's plan is designed to specifically help the small business owner pay the bills and stay competitive.

"The legislation also calls for much-needed aid to senior citizens struggling to afford heating fuel, but do not qualify for HEAP assistance. Over 640,000 seniors would be eligible for assistance."

### ENERGY COST RELIEF FOR SMALL BUSINESSES

A \$350 million refundable tax credit would help 386,000 eligible small businesses across New York State afford the rising cost of energy.

Under the plan, a credit of two cents per Kilowatt Hour (KwH) would be applied directly to eligible businesses' tax liability, while businesses that do not owe taxes would receive a rebate check. The benefit level of two-cents per kilowatt hour approximates the rate benefit provided under the Power for Jobs program, which has proven to be one of the state's most important economic development programs.

The Senate plan will also eliminate the Petroleum Business Tax on non-residential heating fuel, further reducing energy expenses for small businesses by up to \$7 million a year.

### **HELPING WITH HOME HEATING**

The Senate's "Senior Heat" program would provide \$200 rebate checks to eligible senior citizen homeowners to help offset the cost of home heating.

Seniors approved for the enhanced STAR school property tax rebate program (at least 65 years old with an annual income of less than \$64,650) would be eligible for the Senior Heat program. The plan would also provide a \$100 refundable State tax credit to eligible senior citizens who rent and pay for their heat. The program would provide an estimated \$140 million in assistance to more than 640,000 senior homeowners and renters.

### **CAP GAS TAXES**

The Senate also acted today on a bill to cap the state and local sales tax on gasoline at a taxable value of \$2 per gallon. The cap covers the local sales tax on gas unless a local government votes to opt out of the cap. If all localities participate, the plan would generate another \$120 million in savings.

### **ENCOURAGING BIO FUEL PRODUCTION**

The Senate today also passed legislation (S.5846A) that would provide manufacturers of qualified bio-fuel products, primarily ethanol and bio-diesel, with a refundable tax credit. The credit would be 15 cents a gallon, capped at \$2.5 million per plant, per year, for up to four years.

The Federal Government and industry experts estimate that drivers in New York State would see a minimum savings of eight cents a gallon at the pump if New York State could provide a substantial amount of the ethanol to gas supplies. It is estimated that the credit will save New York State taxpayers \$600,000 in SFY 2006-07 and \$10 million a year by SFY 2010-11. As more New York State produced bio-fuels are added to the mix of gasoline at the pump, consumers will see a further easing of gas prices.

### **ALTERNATIVE FUEL VEHICLES**

The Senate also passed a bill (S.5763B) that would extend through the end of 2006, the recently expired alternative fueled vehicle tax credit. The credit would apply to actual alternative fuels such as methanol, ethanol and fully electric vehicles. The bill also reestablishes a State sales tax exemption for the purchase of refueling property equipment. The bill is estimated to provide \$3 million a year in credits through SFY 2007-08.

### **ALTERNATIVE ENERGY PROPERTY TAX EXEMPTION**

The Senate also acted today on legislation (S.5966A) to extend for four years, a law that allows localities and school districts to provide a full or partial exemption for real property taxes on land that contains alternative energy generation systems such as wind and solar power and farm waste to energy systems. Due to the fact that the Assembly has not passed similar legislation, this exemption expired on January 1, 2006. Therefore, this bill would be retroactive to the beginning of the current year.

### **ENERGY STAR EXEMPTION**

The Senate also passed S.5970A to eliminate the state sales tax on insulating materials such as high efficiency windows, doors, weather-stripping, pipe sheathing and alternative energy systems in or attached to a building such as wind power or fuel cells. In addition, the bill would provide four sales tax free weeks (one per season) on a variety of energy star products, such as washers, dryers, refrigerators, dishwashers, furnaces and hot water heaters. These measures are estimated to save New York State taxpayers \$40 million a year.

## ALTERNATIVE ENERGY EQUIPMENT

The Senate also passed a bill (S.785A) that would provide a tax credit for businesses that install alternative energy equipment such as wind, solar or fuel cells. This bill would save New York State businesses \$15 million a year beginning in SFY 2006-07.