



## Legislation Text

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**File #:** Res 1092-2011, **Version:** \*

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### Res. No. 1092

Resolution calling upon the New York State Legislature to pass, and the Governor to sign, A. 6679 and S. 4192, legislation that would amend the Tax Law, in relation to providing a tax deduction for the installation of mechanical insulation property.

By Council Members Crowley and James

Whereas, Mechanical insulation is defined to encompass all thermal, acoustical and personnel safety requirements for mechanical piping, equipment and Heating, Ventilating and Air Conditioning (HVAC) applications; and

Whereas, Mechanical insulation can be used in a variety of commercial buildings and industrial manufacturing facilities, such as power plants, refineries, hospitals, schools, universities, government and office buildings, high-rise multi-family dwellings, hotels and motels, retail and wholesale establishments, and similar types of commercial and industrial facilities; and

Whereas, According to a report prepared by the National Insulation Association (NIA), a not for profit trade association, mechanical insulation is a proven technology long revered for its energy saving qualities and is a great source for green job opportunities; and

Whereas, Buildings are responsible for 40% of the energy demand and 40% of the greenhouse gases, making efficiency gains in this area crucial; and

Whereas, According to the NIA, although mechanical insulation will greatly benefit the environment and create jobs, it is often viewed as an additional expense of building rather than an investment; and

Whereas, A buildings, mechanical system constantly undergoes routine maintenance, and many times this results in removal of mechanical insulation from portions of the building's HVAC system which is often not replaced; and

Whereas, Legislation was introduced in the State Senate on March 23, 2011 and in the State Assembly

on March 24, 2011 as A.6679 and S.4192, respectively; and

Whereas, A.6679 and S.4192 would amend the tax law to provide for a tax deduction for the installation of mechanical insulation property; and

Whereas, This legislation has been referred to the Ways and Means Committee in the Assembly and the Investigation and Government Operations Committee in the Senate; and

Whereas, This bill would provide a tax deduction for the installation of mechanical insulation property in any taxable year; and

Whereas, This deduction shall be the lesser of 30% of the cost of the mechanical insulation property placed in service or the excess energy savings provided by such mechanical insulation property; and

Whereas, The cost of the mechanical insulation property shall include amounts paid for the installation of such mechanical insulation property and labor to install; and

Whereas, The excess energy savings will be determined by the percentage such mechanical installation property is required to meet by standards developed and published by the American Society of Heating, Refrigerating and Air Conditioning Engineers; and

Whereas, This bill would encourage commercial industrial entities to go beyond the current minimum requirements as defined by the American Society of Heating, Refrigerating and Air Conditioning Engineers for new construction or retrofit projects; and

Whereas, According to the NIA, New York City has the largest district energy steam system in the world, which contains more than 105 miles of mains and service piping; and

Whereas, New York City commercial and high occupancy residential customers use steam for heating, hot water and air conditioning; and thus the extent of piping that is not insulated or damaged which feeds universities, hospitals and housing projects is immeasurable; and

Whereas, Mechanical insulation reduces energy consumption, lowers harmful emissions, creates green jobs, and provides residual savings; now therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State legislature to pass and the Governor to sign, A. 6679 and S. 4192, legislation that would amend the Tax Law, in relation to

providing a tax deduction for the installation of mechanical insulation property.

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