



Legislation Text

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Res. No. 1303

Resolution calling upon the New York State Legislature to pass, and the Governor to sign, legislation which would extend the allowance of a clean heating fuel tax credit.

By Council Members Gennaro, Brewer, Comrie, Fidler, James, Mark-Viverito, Nelson, Recchia Jr., Sanders Jr. and Stewart

Whereas, According to the 2000 U.S. Census, 1.2 million households in New York City use heating oil to heat their homes but less than half of 1% use a bioheat blend; and

Whereas, Bioheat is a blend of heating oil and zero-sulfur renewable plant or vegetable oils - known as biodiesel - which produces a cleaner heating product that improves air quality by reducing the amount of sulfur and PM2.5 (particulate matter 2.5 micrometers or smaller) that has been linked to asthma and other diseases, as well as reducing greenhouse gas emissions that result in global warming; and

Whereas, Increased usage of bioheat can significantly reduce our country's dependence on foreign petroleum because American biodiesel is most commonly made from renewable agricultural and waste plant and vegetable oils that are plentiful in the United States; and

Whereas, According to the National Biodiesel Board, in 2007, the vast majority of biodiesel produced in the United States - 80% - came from soybean oil, with the rest split among recycled restaurant grease, fats and vegetable oils from other oilseed crops; and

Whereas, The U.S. is a major grower of soybeans and has been the world's largest exporter of soybeans for many years; and

Whereas, According to the National Biodiesel Board, processing soy-based biodiesel requires only 20% of the plant, while the remaining 80% - the "meal" of the plant - is kept for food uses; and

Whereas, Biodiesel feedstocks on the horizon include algae and getropha, neither of which have any food uses; and

Whereas, The National Biodiesel Board recently announced a Sustainability Taskforce to look at ways that it can support efforts to ensure the world's resources are used responsibly for biodiesel production; and

Whereas, Air quality in New York City is a vital concern, particularly since children living in New York City are twice as likely to be hospitalized for asthma as the average American child, according to the Environmental Defense Fund; and

Whereas, According to an article in the September 18, 2007 edition of the *Christian Science Monitor*, if New York City residents used a 20% blend of biodiesel instead of traditional heating oil, the City could reduce its consumption of fuel oil by 100 million gallons (compared to its current consumption of 500 million gallons, or 5.3% of total U.S. consumption), thereby drastically reducing the City's high levels of air pollutants and ozone; and

Whereas, In fact, studies have demonstrated that the use of a bioheat blend (20% biodiesel, 80% heating oil) can reduce sulfur oxide emissions by 20%, carbon monoxide and nitrogen oxide emissions by 12%, carbon dioxide emissions by 15%, and toxic emissions by 12 to 20%; and

Whereas, Despite compelling environmental benefits, health benefits, energy policy benefits, abundance of product and manufacturers' warranties, New Yorkers have been unwilling to pay a premium for bioheat, which can be anywhere from 5 cents to 20 cents per gallon more than regular home heating oil; and

Whereas, To make the price of bioheat competitive with traditional fuel and stimulate the market for cleaner home heating oil, the New York State Legislature adopted legislation, Chapter 35 of Laws of 2006, which, among other things, amends the State personal income and corporate franchise taxes to establish a clean heating fuel credit for the use of bioheat in residential heating applications, including space heating and hot water production (the "Bioheat Tax Credit"); and

Whereas, The Bioheat Tax Credit-- which provides a credit equal to \$0.01 per percent of biodiesel per gallon of bioheat, not to exceed \$.20 per gallon, purchased by the taxpayer-is supported by key health and environmental groups, including the American Lung Association of New York State, the American Cancer Society, the American Heart Association, Environmental Advocates of New York, Environmental Defense, and the Alliance for Clean Energy New York; and

Whereas, However, the Bioheat Tax Credit is only available for tax years 2006 and 2007, and thus only applies to bioheat purchased on or after July 1, 2006 and before July 1, 2007; and

Whereas, In November 2007, in order to extend the Bioheat Tax Credit, Assemblyman Robert Sweeney introduced legislation, A.9534, to extend such credit for an additional three (3) years; and

Whereas, Similarly, in January 2008, as part of the 2008-2009 New York State Executive Budget (Revenue Article VII Legislation), Governor Spitzer proposed to reinstate the Bioheat Tax Credit for the period commencing January 1, 2008 and ending December 31, 2011; and

Whereas, Immediately following the inclusion of the Bioheat Tax Credit in Governor Spitzer's 2008 Executive Budget, the Alliance for Clean Energy New York, American Heart Association, American Lung Association of New York State, Citizens Campaign for the Environment, Environmental Advocates of New York, Environmental Defense, New York League of Conservation Voters, Sustainable Energy Alliance of Long Island, New York Public Interest Research Group and WE ACT for Environmental Justice, Inc. issued a press release commending the Governor for supporting the Bioheat Tax Credit; and

Whereas, The New York Oil Heating Association and many heating oil companies throughout New York State have also supported the Bioheat Tax Credit; and

Whereas, Extending the Bioheat Tax Credit to offset some of the additional costs associated with bioheat would stimulate City taxpayers to use bioheat, thereby addressing many of the City's environmental concerns by promoting cleaner air through the reduction of air pollutants and ozone, as well as providing

significant benefits in terms of public health; 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, legislation which would extend the allowance of a clean heating fuel tax credit.

AB
March 4, 2008
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