



## **Law: Real estate tax exemptions for solar energy systems - by John Terrana**

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In order to promote New York's clean energy initiative, the New York State Real Property Tax Law (RPTL) provides a tax exemption for property owners who install certain renewable energy systems, such as a solar energy system. Pursuant to RPTL § 487, if the implementation of a solar energy system results in an increase in the value of your property, that increase attributable to the system could be exempt from property taxation for fifteen (15) years. In order to qualify for the exemption, a property owner must conform to any guidelines set by the New York State Energy Research and Development Authority (NYSERDA) and file an application with the assessor of the appropriate county, city, town, or village before the relevant taxable status date.

Though the state is trying to promote clean energy through the RPTL § 487 tax incentive, individual municipalities and school districts do have the option to 'opt-out' of the exemption. In addition to opting out, municipalities also have the option of negotiating payments in lieu of taxes with the property owner, pursuant to what is commonly known as PILOT agreements. Section 487 permits such agreements as long as the payments do not exceed the amount the property owner would have paid in taxes had the municipality opted out of § 487.

If you are considering installing a solar energy system, consult a tax certiorari attorney. He or she can advise you as to whether the exemption is available, the potential for PILOT payments, and assist you with the exemption application and/or PILOT agreement.

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