



Claim for Solar Energy System Equipment Credit

Complete Schedule A and, if applicable, Schedule B. Attach this form to Form IT-201 or Form IT-203.

Name(s) as shown on return

Your social security number

Schedule A — Computation of solar energy system equipment credit

Part 1 — For solar energy system equipment placed in service between January 1, 2006, and August 31, 2006

A Date equipment placed in service (mm/dd/yyyy)	B Qualified solar energy system equipment expenditures	C Multiply column B by 25% (.25)

1 Enter the lesser of Part 1, column C or \$3,750 1. .

Part 2 — For solar energy system equipment placed in service on or after September 1, 2006

A Date equipment placed in service (mm/dd/yyyy)	B Qualified solar energy system equipment expenditures	C Multiply column B by 25% (.25)

2 Enter the lesser of Part 2, column C or \$5,000 2. .

Part 3 — Total credit

3 Current-year solar energy system equipment credit (add lines 1 and 2) (If more than one member of your principal residence is filing Form IT-255, see instructions) 3. .

4 Enter the available carryover of unused solar electric generating equipment credit from the preceding period less any expired credits (see instructions) 4. .

5 Solar energy system equipment credit (add lines 3 and 4; see instructions) 5. .

Enter the line 5 amount or your share of the line 5 amount on Form IT-201-ATT, line 5, or Form IT-203-ATT, line 6.

Schedule B — Application of credit and computation of carryover

(see the instructions to determine if you are required to complete this schedule)

6 Total credit (from line 5 above or your share of the amount from line 5 above; see instructions) 6. .

7 Amount that you applied against your 2006 tax 7. .

8 Amount of credit available for carryover to 2007 (subtract line 7 from line 6) 8. .

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Instructions



This form may be e-filed as an attachment to an e-filed return; you cannot e-file this form by itself.

New for 2006

Form IT-255, *Claim for Solar Energy System Equipment Credit*, was formerly entitled *Claim for Solar Electric Generating Equipment Credit*. Under prior Tax Law section 606(g-1), for tax years beginning on and after January 1, 1998, taxpayers were eligible to claim a credit for solar electric generating equipment on Form IT-255. Under the **new** Tax Law section 606(g-1), taxpayers are allowed to claim a credit for **solar energy system equipment** that is placed in service on or after January 1, 2006, and is used to heat, cool, or otherwise provide energy for residential use.

General information

Effective for tax years beginning on or after January 1, 2006, Tax Law section 606(g-1) allows a credit for the purchase and installation of an eligible solar energy system. Subject to certain limits, the credit is 25% of the qualified solar energy system equipment expenditures for the purchase and installation of a system that uses solar radiation to produce energy for heating, cooling, hot water, or electricity for residential use. The equipment must be installed and used at the taxpayer's principal residence in New York State and must be placed in service on or after January 1, 2006.

Before you can qualify for the credit, you must enter into a net energy metering contract with your electric corporation or comply with the electric corporation's net energy metering schedule. The completed solar energy system equipment must also be connected to the electric corporation's transmission and distribution facility. Other conditions and limitations set by the electric company may also apply. You should contact your electric company for more information before you purchase your equipment.

If your credit is greater than the amount of tax you owe, the balance will **not** be refunded to you. However, any credit amount in excess of the tax due for 2006 can be carried over for a maximum of up to five years.

Definitions

Solar energy system equipment means an arrangement or combination of components utilizing solar radiation, which, when installed in a residence, produces energy designed to provide heating, cooling, hot water, or electricity. The arrangement or components do not include equipment connected to solar energy system equipment that is a component of part or parts of a nonsolar energy system or which uses any sort of recreational facility or equipment as a storage medium. Solar energy system equipment that generates electricity for use in a residence must conform to the applicable requirements in Public Service Law section 66-j.

Qualified solar energy system equipment expenditures mean expenditures for the purchase of solar energy system equipment that is installed and used at residential property located in New York State that is your principal residence at the time the solar energy system equipment is placed in service.

Qualified expenditures include expenditures for materials, labor costs properly allocated to on-site preparation, assembly and original installation, architectural and engineering services, and designs and plans directly related to the construction or installation of the solar energy system equipment.

Expenditures made with nontaxable federal, state, and local grants and any interest or finance charges do not qualify as solar energy system equipment expenditures.

Principal residence means the home where you and your family live most of the time. A summer or vacation home does not qualify. Your principal residence can be a house, whether owned or rented, a mobile home, cooperative apartment, or condominium. If you move from one principal residence to another principal residence in New York State, a separate

credit is allowed for each principal residence. You must have incurred the costs at the time the residence is your principal residence, and you must file separate Forms IT-255 to compute your allowable credit for each principal residence.

Filling in your tax forms

For complete information on how to fill in New York State scannable income tax forms, see the instructions for:

- resident return (Form IT-201), **or**
- nonresident and part-year resident return (Form IT-203).

Also see the instructions for the above returns for the *Privacy notification* or if you need help contacting the Tax Department.

Line instructions

Schedule A — Computation of solar energy system equipment credit

Part 1 — For solar energy system equipment placed in service between January 1, 2006, and August 31, 2006

Complete Part 1 if your solar energy system equipment was placed in service before September 1, 2006. The credit is equal to 25% of your expenditures, limited to a maximum of \$3,750.

Part 2 — For solar energy system equipment placed in service on or after September 1, 2006

Complete Part 2 if your solar energy system equipment was placed in service on or after September 1, 2006. The credit is equal to 25% of your expenditures, limited to a maximum of \$5,000.

Part 3 — Total credit

Line 3 — If you occupied a principal residence with another taxpayer or taxpayers, the amount of credit allowable to each taxpayer is prorated according to the percentage of the total eligible expenditures contributed by each taxpayer. However, a husband and wife filing a joint return do not prorate the credit.

Enter the total credit on line 3 and see the instructions for line 5.

Line 4 — Enter the amount of net credit available for carryover to 2006 (from your 2005 Form IT-255, line 15). Do not include on line 4 the amount of any credit that expired in 2005.

Line 5 — If you occupied a principal residence with another taxpayer or taxpayers, enter only **your** share of the line 5 amount on Form IT-201-ATT, *Other Tax Credits and Taxes*, or Form IT-203-ATT, *Other Tax Credits and Taxes*. Also attach a statement showing the name of each taxpayer occupying the residence and claiming the credit, and the total expenditures contributed by each.

Example: *You and your father occupy the same residence. You each pay one-half of the cost of the solar energy system equipment. You must claim one-half of the total credit on your New York State return and your father would claim the other half of the credit on his New York State return. You must each file Form IT-255 showing the computation of the total credit and attach the statement described in line 5 above.*

Line 6 — If you occupied a principal residence with another taxpayer or taxpayers, enter only **your** share of the line 5 amount on line 6.

Schedule B — Application of credit and computation of carryover

You must first complete Form IT-201-ATT or Form IT-203-ATT before you can complete this schedule. Follow the instructions for Form IT-201-ATT or Form IT-203-ATT, Section B, to determine the amount of credit to enter on line 7.

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