



## Legislation Text

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**File #:** Res 0186-2014, **Version:** \*

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### Res. No. 186

Resolution calling upon the New York State Legislature to introduce and pass, and the Governor to sign 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 Gentile

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 building's 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, In the State's Legislature previous legislative session, legislation was introduced that would amend the tax law to provide for a tax deduction for the installation of mechanical insulation property; and

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

Whereas, This deduction would 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 would include amounts paid for the installation of such mechanical insulation property and labor to install; 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, 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 introduce and pass and the Governor to sign, legislation that would amend the Tax Law, in relation to providing a tax deduction for the installation of mechanical insulation property.

LS 209/TE

3-13-14

Reinto 1092/LS 2597; prepared by DB