

Solar and Electric Storage System Property Tax Abatement

Fact Sheet

NYC Mayor's Office of Climate & Environmental Justice

Overview

Solar power is a reliable, renewable source of clean electricity that reduces demand on New York City's electrical grid and reduces a building's monthly electricity bill.

A battery energy storage system (BESS) provides dispatchable power while it enhances grid resiliency by reducing demand on the grid and mitigating the need for polluting power plants. A BESS can also be incorporated into a building's energy system to reduce the power a building needs to use during peak periods, which lowers energy costs, stores solar power for later use when the sun isn't shining, and provides back-up power in case of a blackout.

The Solar and Electric Property Tax Abatement is a financial incentive for properties that install a solar PV system and/or BESS in New York City. The program is an expanded and extended property tax abatement from previous iterations.

Apply Now

From Jan. 1, 2024 through Dec. 31, 2034 applications can be filed via the Department of Buildings portal.

1. [Application Link](#)
2. [Submit Applications Here](#)

Applications must be received by **March 15th each year** for the abatement to take effect within the same calendar year.

How to Apply:

Applications should be submitted by your solar and/or BESS installation company.

Benefits

Effective January 1, 2024 to December 31, 2034, the expanded Solar and Electric Storage System Tax Abatement benefit is equal to 30% of the solar PV and/or BESS installation cost (see below) or \$250,000, whichever is lower. The abatement will be applied to your property over a four-year period starting on July 1 following the NYC Department of Buildings approval (up to \$62,500/year). Prior to January 1, 2024, only one abatement may be applied for and received per tax lot. This limitation was lifted as of January 1, 2024 to support energy storage retrofits to existing PV systems.



Timeline

The expanded benefit applies to buildings with solar and/or BESS projects placed in service after January 1, 2024, and before January 1, 2035. Projects placed in service before January 1, 2024, are only eligible for one solar or storage abatement. New York City's fiscal year for property taxes runs from July 1 to June 30. Applications must be received by March 15 each year for the abatement to take effect within the same calendar year.

Eligibility

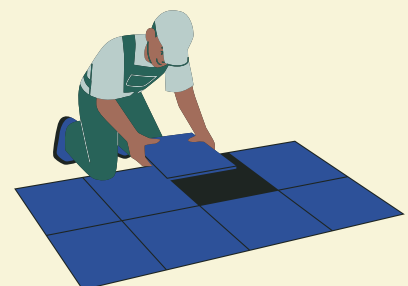
Eligible Properties: Class 1, 2 and 4 properties (all New York City property types except Type 3, Utilities)

Exclusions:

- If you receive ICAP, 421-a, 421-b, 421-g or pay PILOTs, your property is **NOT** eligible for the Solar Electric Generating System Tax Abatement.
- If your property is already exempt from all property taxes, you will **not be able** to use the tax abatement

NYC Department of Buildings (DOB)

determines eligibility and approves the application, pursuant to 1RCNY 105-02 and NYS RPT Title 4-C, while the Department of Finance administers the benefit.



| Included Installation Costs | | Exclusions |
|---|--|--|
| Labor costs related to on-site preparation, assembly and original installation. | Designs and plans directly related to the construction or installation of a solar electric generating system and/or electric energy storage equipment installed in connection with an eligible building. | Cost basis does not include interest or other finance charges, or any expenditures incurred using a federal, state or local grant such as NY-SUN |
| Reasonable expenditures for materials | Solar parking canopy structures shall be considered part of the solar electric generating system. | |
| Architectural and engineering services | | |



Application

The property tax abatement must be applied for in conjunction with your building permit application and should be coordinated with your solar and/or BESS installation company. They will submit the application and prepare a final cost affidavit required as part of the solar and/or BESS project closeout. The NYC Department of Buildings will transmit the necessary information to the Department of Finance for application to your property tax bill. Please speak with your installation professional to ensure that this paperwork is being filed in a timely and accurate manner.

Additional Resources

- [1RCNY 105-02: City Rule outlining requirements for the Approval of a Property Tax Abatement Application for the Installation of a Solar Electric Generating System or for the Installation of Electric Energy Storage Equipment](#)
- [NYS Solar Electric Generating System \(SEGS\) Tax Abatement Law](#)
- [NYC Accelerator](#)