

STATE OF NEW YORK

7648

2025-2026 Regular Sessions

IN SENATE

April 25, 2025

Introduced by Sen. KAVANAGH -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to providing a sales tax exemption for certain low-carbon building materials (Part A); to establish a grant program for manufacturers of concrete for environmental product declarations (Part B); and to amend the general municipal law, in relation to expanding eligibility for commercial property assessed clean energy financing resources (Part C)

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. This act enacts into law components of legislation relating
2 to reducing greenhouse gas emissions in construction. Each component is
3 wholly contained within a Part identified as Parts A through C. The
4 effective date for each particular provision contained within such Part
5 is set forth in the last section of such Part. Any provision in any
6 section contained within a Part, including the effective date of the
7 Part, which makes reference to a section "of this act", when used in
8 connection with that particular component, shall be deemed to mean and
9 refer to the corresponding section of the Part in which it is found.
10 Section three of this act sets forth the general effective date of this
11 act.

12 PART A

13 Section 1. Short title. This act shall be known and may be cited as
14 the "building embodied carbon breakthrough act".

15 § 2. Legislative findings and purpose. 1. The legislature finds that
16 reducing greenhouse gas emissions from the building sector is a critical
17 component of the state's climate goals under the Climate Leadership and
18 Community Protection Act.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 2. The legislature further finds that embodied carbon in construction
2 materials, such as cement, steel, and other building products, contrib-
3 utes significantly to overall emissions. Studies show that nearly half
4 of emissions from new buildings between 2020 and 2050 will come from
5 embodied carbon under a business-as-usual scenario (Carbon Neutral
6 Buildings Roadmap, NYSERDA).

7 3. The concrete and steel industries alone account for over 20% of
8 global industrial emissions, with cement production ranking among the
9 largest industrial greenhouse gas emitters in New York state (Final
10 Scoping Plan, NYS Climate Action Council).

11 4. In New York, 28% of annual building-related emissions are associ-
12 ated with the production of materials such as concrete, steel, aluminum,
13 glass, and insulation (Final Scoping Plan, NYS Climate Action Council).
14 However, specifying lower-carbon alternatives can reduce embodied carbon
15 emissions by up to 33%, and material reuse strategies can achieve
16 reductions of up to 80% (Carbon Neutral Buildings Roadmap, NYSERDA).

17 5. The legislature recognizes that demand for low-carbon building
18 materials is growing and that New York state has an opportunity to posi-
19 tion itself as a national leader in manufacturing, innovation, and
20 deployment of these materials. According to the Climate Action Council's
21 Final Scoping Plan, public procurement strategies and tax incentives can
22 accelerate market adoption of these technologies while stimulating
23 economic growth.

24 6. The legislature acknowledges that New York's Carbon Neutral Build-
25 ings Roadmap identifies the manufacturing and supply chain opportunities
26 that will arise from transitioning to low-embodied carbon construction
27 materials. Supporting these industries will not only reduce emissions
28 but also create new jobs and expand economic opportunities across the
29 state.

30 7. The legislature finds that providing a tax exemption for low-carbon
31 materials will establish an early and stable market for these products,
32 allowing New York-based businesses to develop cutting-edge solutions
33 that can be exported to meet demand beyond state borders. This policy
34 aligns with existing initiatives such as NYSERDA's Carbon Neutral
35 Economic Development Program, which seeks to attract and support busi-
36 nesses working on climate-friendly materials.

37 8. The legislature further finds that ensuring local access to low-
38 carbon materials will encourage workforce development in advanced manu-
39 facturing, sustainable construction, and related trades. Investments in
40 low-embodied carbon industries will provide long-term economic benefits
41 while advancing the state's climate objectives.

42 § 3. Section 1115 of the tax law is amended by adding a new subdivi-
43 sion (mm) to read as follows:

44 (mm) (1) For the purposes of this subdivision, the following terms
45 shall have the following meanings:

46 (A) "Authority" shall mean the New York state energy research and
47 development authority.

48 (B) "Division" shall mean the department of state's division of build-
49 ing standards and codes.

50 (C) "Embodied carbon" shall mean the total greenhouse gas emissions
51 associated with the production, transportation, installation, mainte-
52 nance, and end-of-life disposal of a building material or product, meas-
53 ured in kilograms of carbon dioxide equivalent (kgCO₂e).

54 (D) "Energy code" shall mean the state energy conservation
55 construction code, as established and administered by the division.

1 (E) "Environmental product declaration" or "EPD" shall mean a third-
2 party verified document that provides transparent and standardized
3 information about the environmental impact of a product over its life
4 cycle, in accordance with ISO 14025 and related standards.

5 (F) "Global warming potential" or "GWP" shall mean a metric used to
6 compare the impact of different greenhouse gases on climate change over
7 a specific time horizon, typically 100 years, expressed relative to the
8 warming effect of carbon dioxide (CO2e).

9 (G) "Global warming potential threshold" shall mean the value estab-
10 lished by the state to determine eligibility for the sales tax exemption
11 under this subdivision and financing under the municipal sustainable
12 energy loan program. This threshold represents the median global warming
13 potential of a material, product, or component, based on a represen-
14 tative sample of product-level environmental product declarations for
15 that category, or relative to GWP values previously derived and recog-
16 nized by the state.

17 (H) "Interior" shall mean a building's interior spaces, including but
18 not limited to flooring, furniture, wall panels, ceiling systems, cabi-
19 netry, partitions, and interior insulation.

20 (I) "Low-carbon" shall designate materials, products and components
21 used in building construction that meet or exceed the product level
22 global warming potential threshold established by the authority by a
23 minimum of fifteen percent.

24 (J) "Municipal sustainable energy loan program" shall mean the program
25 authorized under article five-1 of the general municipal law.

26 (K) "Product category rule" shall mean a set of specific rules,
27 requirements, and guidelines developed in accordance with ISO 14025 that
28 establish the methodology for conducting life cycle assessments and
29 creating environmental product declarations for a given product catego-
30 ry, ensuring consistency and comparability in environmental performance
31 data.

32 (L) "Significant embodied carbon reduction improvement" means a
33 modification to construction materials, products and components that
34 result in at least a fifty percent reduction in GWP compared to the
35 global warming potential threshold established for that material, prod-
36 uct or component product category.

37 (M) "Standards development organization" or "SDO" means an entity
38 recognized for developing and maintaining technical standards through a
39 consensus-based process. SDOs establish guidelines, test methods, and
40 specifications to ensure product quality, safety, and environmental
41 performance.

42 (N) "Uniform code" means the uniform fire prevention and building
43 code, as established and administered by the division.

44 (2) (A) Qualifying low-carbon building materials, products, and compo-
45 nents shall be exempt from tax under this article. A purchaser seeking
46 exemption under this subdivision shall present a completed form devel-
47 oped by the department to the seller at the time of purchase. Low-car-
48 bon building materials, components, and products eligible for an
49 exemption from tax under this article shall include:

50 (i) concrete and cementitious materials.

51 (ii) structural steel and reinforcing bar.

52 (iii) engineered wood products and mass timber.

53 (iv) insulation.

54 (v) flooring.

55 (vi) architectural coatings.

1 (vii) flooring materials, including carpet, laminate, ceramic, resil-
2 ient, and wood flooring.

3 (viii) gypsum panel products.

4 (ix) flat glass.

5 (x) pressure-treated wood products.

6 (xi) floor coatings.

7 (xii) single-ply roofing membranes.

8 (xiii) pedestrian and revolving doors.

9 (xiv) water-resistive and air barriers.

10 (xv) insulation.

11 (xvi) interior furniture components including seating, storage,
12 tables, and office furniture workspace products.

13 (xvii) additional material, product, and component categories included
14 at the discretion of the commissioner in consultation with the authority
15 and the division, provided that current product category rules have been
16 published by recognized standards development organizations.

17 (B) The authority shall establish the product-level GWP threshold for
18 building materials, products, and components. Such thresholds shall be
19 reviewed and revised every three years by the authority, in consultation
20 with the division, based on the most current recognized product category
21 rules for each category, and an evaluation of recent statistically
22 significant samples of EPDs for eligible materials, products, and compo-
23 nents.

24 (C) The division, in consultation with the authority, shall be respon-
25 sible for evaluating and approving materials, products and components
26 for exemption under this subdivision.

27 (D) The department, in consultation with the authority, shall maintain
28 a publicly accessible database of materials and manufacturers that qual-
29 ify for exemption under this subdivision.

30 (E) Materials, products, and components used in building construction
31 and interior design shall be eligible for exemption under this subdivi-
32 sion where:

33 (i) a corresponding product category rule has been published by an
34 accredited standards development organization and approved by the state
35 for that material, product or component.

36 (ii) a statistically significant sample of EPDs for the material,
37 product and component category and relevant sub-categories, as defined
38 in the product category rule, has been generated and made publicly
39 available for review and analysis by the authority in order to derive a
40 median global warming potential threshold that is representative of that
41 material, product, or component.

42 (iii) the material, product, or component has been determined to be
43 compliant with all rules, regulations and guidelines of the state
44 uniform code and energy code, as well as material evaluation and accept-
45 ance criteria required by the local municipal jurisdiction having
46 authority.

47 (F) Purchasers availing the exemption under this subdivision shall
48 retain records of all transactions made under this exemption, including
49 documentation of the product's environmental product declaration, for a
50 period of at least five years.

51 § 4. This act shall take effect on the first of January next succeed-
52 ing the date on which it shall have become a law and shall apply to
53 taxable years beginning on or after such date. Effective immediately,
54 the addition, amendment and/or repeal of any rule or regulation neces-
55 sary for the implementation of this act on its effective date are
56 authorized to be made and completed on or before such effective date.

1

PART B

2 Section 1. Definitions. For the purposes of this act, the following
3 terms shall have the following meanings:

4 (a) "authority" means the New York state energy research and develop-
5 ment authority (NYSERDA);

6 (b) "concrete" means a mixture of cementitious material, aggregate,
7 and water and is inclusive of ready mix concrete, shotcrete, precast
8 concrete, and concrete masonry units;

9 (c) "cementitious material" means any material that has cementing
10 value if used in concrete, grout, or mortar;

11 (d) "aggregate" means granular material used with a cementing medium
12 to form concrete, grout, or mortar;

13 (e) "asphalt" means a mixture of bituminous material and aggregate
14 used for paving, roofing, and other construction applications, including
15 hot mix asphalt, warm mix asphalt, cold mix asphalt, and asphalt
16 concrete;

17 (f) "embodied carbon" means the total greenhouse gas emissions associ-
18 ated with the production, transportation, installation, maintenance, and
19 end-of-life disposal of a building material or product, measured in
20 kilograms of carbon dioxide equivalent (kgCO₂e);

21 (g) "environmental product declaration (EPD)" means an independently
22 verified product-specific label that discloses the environmental impact
23 of a manufactured product based on a life cycle assessment;

24 (h) "global warming potential" means the impact on climate change as
25 reported by a life cycle assessment (LCA), reported in units (typically
26 kg) of carbon dioxide equivalent (CO₂e); and

27 (i) "product- and facility-specific environmental product declara-
28 tions" means a type III environmental product declaration, as defined by
29 the international organization for standardization standard 14025,
30 representing a single product from a single manufacturing facility.

31 § 2. Grant program for environmental product declarations. (a) The
32 authority shall establish and administer a grant program to reimburse
33 manufacturers of concrete for the cost of hiring a third party to devel-
34 op product- and facility-specific environmental product declarations or
35 acquire a software for generating product- and facility-specific envi-
36 ronmental product declarations for concrete, asphalt, aggregate, or
37 cementitious products.

38 (b) The authority, in collaboration with the New York state office of
39 general services, shall adopt rules to implement the program established
40 under this section, including rules establishing:

41 (i) eligibility criteria for grant applications;

42 (ii) grant application procedures;

43 (iii) criteria for evaluating grant applications and awarding grants;

44 (iv) guidelines related to grant amounts;

45 (v) limitations on billable rate and maximum hours that can be used
46 for soft costs; and

47 (vi) procedures for monitoring the use of a grant awarded under this
48 section and ensuring compliance with any conditions of the grant.

49 (c) The grants shall equal the amount paid for EPD technology imple-
50 mentation and related soft costs manufacturers incur to support the EPD
51 development process up to a maximum of \$10,000 per plant.

52 (d) Within amounts appropriated therefor, the office of general
53 services shall conduct a rigorous and timely review of new and novel
54 materials for inclusion in the New York state approved materials list.

1 § 3. Embodied carbon in building codes recommendation report. (a)
2 Within amounts appropriated therefor, the authority shall conduct a
3 study, in collaboration with the office of general services, that
4 includes:

5 (i) a review of the language addressing embodied carbon used in build-
6 ing codes and policies in other jurisdictions;

7 (ii) the development of recommendations for language addressing
8 embodied carbon for potential adoption by the state fire prevention and
9 building code council, and the estimated carbon savings from the primary
10 proposed options over a 25-year period; and

11 (iii) consideration of subject areas including, but not limited to,
12 the applicability to buildings of different sizes with multiple compli-
13 ance pathways phased in over time; including whole building life cycle
14 assessments (WBLCA); reuse of existing buildings; and compliance with
15 material carbon caps.

16 (b) In conducting the study, the authority shall provide opportunities
17 for comment from design, construction, and building industry stakehold-
18 ers.

19 (c) The authority shall submit a report of the study's findings to the
20 appropriate committees of the legislature by December 1, 2025.

21 § 4. This act shall take effect immediately.

22 PART C

23 Section 1. Section 119-ff of the general municipal law is amended by
24 adding 5 new subdivisions 1-a, 2-a, 4-a, 4-b and 4-c to read as follows:

25 1-a. "Common construction materials" means:

26 (a) concrete, including ready mix concrete, shotcrete, precast
27 concrete, and concrete masonry units;

28 (b) asphalt paving mixtures;

29 (c) steel, including rebar, reinforcing steel and structural steel,
30 hot-rolled sections, hollow sections, plate steel and cold-formed steel;
31 and

32 (d) other materials the department of state designates by rule after
33 consultation with the GreenNY Council reviewed every three years.

34 2-a. "Embodied carbon" means the total greenhouse gas emissions asso-
35 ciated with the production, transportation, installation, maintenance,
36 and end-of-life disposal of a building material or product, measured in
37 kilograms of carbon dioxide equivalent (kgCO₂e).

38 4-a. "Environmental product declaration (EPD)" means an independently
39 verified product-specific label that discloses the environmental impact
40 of a manufactured product based on a life cycle assessment.

41 4-b. "Global warming potential (GWP)" means the impact on climate
42 change as reported by a life cycle assessment (LCA), reported in units
43 (typically kg) of carbon dioxide equivalent (CO₂e).

44 4-c. "Global warming potential limit" means the value established by
45 the state to determine eligibility for commercial property assessed
46 clean energy (PACE) financing under this article. This threshold repres-
47 ents the median global warming potential of a material, product, or
48 component, based on a representative sample of product-level environ-
49 mental product declarations for that category, or relative to global
50 warming potential values previously derived and recognized by the state.

51 § 2. Section 119-gg of the general municipal law is amended by adding
52 a new subdivision 10 to read as follows:

53 10. a. Municipal corporations may provide financing for embodied
54 carbon reduction improvements in common construction materials, defined

1 as materials with at least a twenty-five percent reduction in global
2 warming potential relative to the global warming potential threshold for
3 covered materials.

4 b. All qualifying materials, including labor costs, and related engi-
5 neering expenses associated with their installation at a building
6 construction location, may be financed by the loan, provided there is
7 full compliance with all other rules and requirements of the sustainable
8 energy loan program.

9 c. Loans made under the sustainable energy loan program for low-carbon
10 materials shall be subject to verification through Type III environ-
11 mental product declarations, whole life carbon analysis (WLCA), or other
12 processes, and compliance with municipal or state procurement standards.

13 d. The authority shall oversee the implementation and compliance of
14 embodied carbon reduction loans under the commercial property assessed
15 clean energy (PACE) framework, in consultation with responsible develop-
16 ment corporations and municipal authorities responsible for activities
17 related to loan marketing, approval, and disbursement.

18 e. Materials used in building construction shall be eligible for
19 sustainable energy loans, provided that they have been determined to be
20 compliant with all material evaluation and acceptance criteria required
21 by the municipal jurisdiction having authority.

22 § 3. This act shall take effect immediately.

23 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
24 sion, section or part of this act shall be adjudged by any court of
25 competent jurisdiction to be invalid, such judgment shall not affect,
26 impair, or invalidate the remainder thereof, but shall be confined in
27 its operation to the clause, sentence, paragraph, subdivision, section
28 or part thereof directly involved in the controversy in which such judg-
29 ment shall have been rendered. It is hereby declared to be the intent of
30 the legislature that this act would have been enacted even if such
31 invalid provisions had not been included herein.

32 § 3. This act shall take effect immediately provided, however, that
33 the applicable effective dates of Parts A through C of this act shall be
34 as specifically set forth in the last section of such Parts.