

STATE OF NEW YORK

5660

2025-2026 Regular Sessions

IN ASSEMBLY

February 19, 2025

Introduced by M. of A. BARRETT, LUPARDO -- read once and referred to the Committee on Agriculture

AN ACT to amend the agriculture and markets law, the tax law and the environmental conservation law, in relation to enacting the carbon farming act

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

1 Section 1. This act shall be known and may be cited as the "carbon
2 farming act".

3 § 2. Legislative intent. The legislature hereby finds and declares
4 that soil and vegetation management can significantly enhance soil and
5 carbon sequestration, resulting in a wide range of environmental and
6 agricultural benefits to New York farmers and residents, including:
7 increased yields; soil health; improved water quality; and reductions in
8 greenhouse gases. The legislature further declares that enhancing carbon
9 sequestration, the long term storage of carbon in plants, soils, geolog-
10 ic formations and the ocean, through farming is in the best interest of
11 New Yorkers. It is therefore the intent of the legislature and the
12 purpose of this act to encourage farmers to further sequester and miti-
13 gate carbon in this state by establishing a carbon farming tax credit to
14 reward and incentivize farmers to maintain or adopt practices that help
15 maximize New York's carbon sequestration potential.

16 § 3. Section 150 of the agriculture and markets law is amended by
17 adding a new subdivision 5 to read as follows:

18 5. "Carbon farming" means the implementation of a land management
19 strategy for the purposes of reducing, sequestering, and mitigating
20 greenhouse gas emissions on land used in support of a farm operation and
21 quantifying those greenhouse gas benefits using the United States
22 Department of Agriculture's COMET-Planner, COMET-Farm, and other quanti-
23 fication tools.

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

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1 § 4. Section 210-B of the tax law is amended by adding a new subdivi-
2 sion 61 to read as follows:

3 61. Carbon farming credit. (a) Allowance of credit. A taxpayer that is
4 an agricultural business that produces farm products shall be allowed a
5 credit against the tax imposed by this article for the practice of
6 carbon farming.

7 (b) Definitions. For purposes of this section the following terms
8 shall have the following meanings:

9 (i) "carbon farming" shall have the same meaning as set forth in
10 subdivision five of section one hundred fifty of the agriculture and
11 markets law;

12 (ii) "farm products" shall have the same meaning as set forth in
13 subdivision five of section two of the agriculture and markets law; and

14 (iii) "carbon sequestration" shall mean the long term storage of
15 carbon in plants and soils.

16 (c) Application of credit. Such credit shall be calculated based on
17 the economic value of carbon farming as determined by the commissioner
18 of environmental conservation, in consultation with the commissioner of
19 agriculture and markets and the commissioner pursuant to paragraph ccc
20 of subdivision two of section 3-0301 of the environmental conservation
21 law.

22 (d) Certification required. The taxpayer shall attach to its tax
23 return its final certificate of eligibility issued by the commissioner
24 of environmental conservation pursuant to section 19-0309 of the envi-
25 ronmental conservation law. In no event shall the taxpayer be allowed a
26 credit greater than the amount of the credit listed on the final certif-
27 icate verifying the emissions reductions to be credited to the taxpayer.

28 (e) Carryover of credit. If the amount of the credit allowable under
29 this subdivision shall exceed the taxpayer's tax for such year and the
30 taxpayer's New York adjusted gross income for such year does not exceed
31 sixty thousand dollars, the excess shall be treated as an overpayment of
32 tax to be credited or refunded in accordance with the provisions of
33 section six hundred eighty-six of this chapter, provided, however, that
34 no interest shall be paid thereon. If the taxpayer's New York adjusted
35 gross income for such year exceeds sixty thousand dollars, the excess
36 credit may be carried over to the following year or years and may be
37 deducted from the taxpayer's tax for such year or years.

38 § 5. Section 606 of the tax law is amended by adding a new subsection
39 (qqq) to read as follows:

40 (qqq) Carbon farming credit. (1) Allowance of credit. A taxpayer who
41 provides farm products and who practices carbon farming shall be allowed
42 a credit against the tax imposed by this article.

43 (2) Definitions. For the purposes of this subsection, the following
44 definitions shall apply:

45 (A) "Farm products" shall have the same meaning as set forth in subdivi-
46 vision five of section two of the agriculture and markets law.

47 (B) "Carbon farming" shall have the same meaning as set forth in
48 subdivision five of section one hundred fifty of the agriculture and
49 markets law.

50 (3) Application of credit. Such credit shall be calculated based on
51 the economic value of carbon farming as determined by the commissioner
52 of environmental conservation, in consultation with the commissioner of
53 agriculture and markets pursuant to paragraph ccc of subdivision two of
54 section 3-0301 of the environmental conservation law.

55 (4) Certification required. The taxpayer shall attach to its tax
56 return its final certificate of eligibility issued by the commissioner

1 of environmental conservation pursuant to section 19-0309 of the envi-
2 ronmental conservation law. In no event shall the taxpayer be allowed a
3 credit greater than the amount of the credit listed on the final certif-
4 icate verifying the emissions reductions to be credited to the taxpayer.

5 (5) Carryover of credit. If the amount of the credit allowable under
6 this subsection shall exceed the taxpayer's tax for such year and the
7 taxpayer's New York adjusted gross income for such year does not exceed
8 sixty thousand dollars, the excess shall be treated as an overpayment of
9 tax to be credited or refunded in accordance with the provisions of
10 section six hundred eighty-six of this article, provided, however,
11 that no interest shall be paid thereon. If the taxpayer's New York
12 adjusted gross income for such year exceeds sixty thousand dollars,
13 the excess credit may be carried over to the following year or years
14 and may be deducted from the taxpayer's tax for such year or years.

15 § 6. Subdivision 2 of section 3-0301 of the environmental conservation
16 law is amended by adding a new paragraph ccc to read as follows:

17 ccc. Cooperate with the department of agriculture and markets to
18 develop educational materials to promote and encourage carbon farming.
19 Such materials shall promote farming practices which reduce, sequester
20 and mitigate greenhouse gas emissions through the implementation of
21 carbon farming strategies and on land used in support of a farm opera-
22 tion; and develop and codify a metric to quantify the storage of carbon
23 using the United States Department of Agriculture's COMET-Planner,
24 COMET-Farm, and other quantification tools. The department shall develop
25 and distribute an application and certification procedure which verifies
26 the carbon stored to be credited to each farm. The department may
27 promulgate rules and regulations necessary to implement this section.

28 § 7. Subdivision 1 of section 19-0309 of the environmental conserva-
29 tion law, as amended by chapter 817 of the laws of 1987, is amended to
30 read as follows:

31 1. For the purposes of sections 208, 210, 606 and 612 of the Tax Law,
32 the commissioner or his designated representative is hereby authorized
33 to issue certificates of compliance concerning air pollution control
34 facilities [~~and~~], air pollution controlled process facilities and carbon
35 farming as defined in such law. No such certificate shall be issued
36 unless the facility to which it is applicable is in compliance with
37 applicable provisions of titles 1 to 11, inclusive, and title 19 of
38 article 17, article 19, and title 1 of article 27 of this chapter; of
39 the Public Health Law; of the state sanitary code and of codes, rules,
40 regulations, permits or orders issued pursuant thereto.

41 § 8. Section 16 of the agriculture and markets law is amended by
42 adding a new subdivision 53 to read as follows:

43 53. Cooperate with the department of environmental conservation to
44 develop educational materials to encourage carbon farming and how to
45 use the United States Department of Agriculture's COMET-Planner, COMET-
46 Farm, and other carbon quantification tools. The program shall promote
47 farming practices which reduce, sequester and mitigate greenhouse gas
48 emissions on land used in support of a farm operation. The department
49 shall promote the carbon farming tax credit provided in sections two
50 hundred ten-B and six hundred six of the tax law.

51 § 9. This act shall take effect on the ninetieth day after it shall
52 have become a law. Effective immediately, the addition, amendment,
53 and/or repeal of any rule or regulation necessary for the implementation
54 of this act on its effective date are authorized to be made and
55 completed on or before such effective date.