

STATE OF NEW YORK

6566

2025-2026 Regular Sessions

IN ASSEMBLY

March 6, 2025

Introduced by M. of A. R. CARROLL -- read once and referred to the
Committee on Ways and Means

AN ACT to amend the tax law, in relation to providing a sales tax
exemption for certain low-carbon building materials

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

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

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

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

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

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

23 5. The legislature recognizes that demand for low-carbon building
24 materials is growing and that New York state has an opportunity to posi-
25 tion itself as a national leader in manufacturing, innovation, and

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

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1 deployment of these materials. According to the Climate Action Council's
2 Final Scoping Plan, public procurement strategies and tax incentives can
3 accelerate market adoption of these technologies while stimulating
4 economic growth.

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

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

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

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

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

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

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

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

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

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

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

45 (G) "Global warming potential threshold" shall mean the value estab-
46 lished by the state to determine eligibility for the sales tax exemption
47 under this subdivision and financing under the municipal sustainable
48 energy loan program. This threshold represents the median global warming
49 potential of a material, product, or component, based on a represen-
50 tative sample of product-level environmental product declarations for
51 that category, or relative to GWP values previously derived and recog-
52 nized by the state.

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

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

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

7 (K) "Product category rule" shall mean a set of specific rules,
8 requirements, and guidelines developed in accordance with ISO 14025 that
9 establish the methodology for conducting life cycle assessments and
10 creating environmental product declarations for a given product category,
11 ensuring consistency and comparability in environmental performance
12 data.

13 (L) "Significant embodied carbon reduction improvement" means a
14 modification to construction materials, products and components that
15 result in at least a fifty percent reduction in GWP compared to the
16 global warming potential threshold established for that material, product
17 or component product category.

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

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

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

31 (i) concrete and cementitious materials.

32 (ii) structural steel and reinforcing bar.

33 (iii) engineered wood products and mass timber.

34 (iv) insulation.

35 (v) flooring.

36 (vi) architectural coatings.

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

39 (viii) gypsum panel products.

40 (ix) flat glass.

41 (x) pressure-treated wood products.

42 (xi) floor coatings.

43 (xii) single-ply roofing membranes.

44 (xiii) pedestrian and revolving doors.

45 (xiv) water-resistive and air barriers.

46 (xv) insulation.

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

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

53 (B) The authority shall establish the product-level GWP threshold for
54 building materials, products, and components. Such thresholds shall be
55 reviewed and revised every three years by the authority, in consultation
56 with the division, based on the most current recognized product category

1 rules for each category, and an evaluation of recent statistically
2 significant samples of EPDs for eligible materials, products, and compo-
3 nents.

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

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

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

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

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

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

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

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