

# STATE OF NEW YORK

6221

2025-2026 Regular Sessions

## IN ASSEMBLY

February 27, 2025

Introduced by M. of A. R. CARROLL, SIMON -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to providing a tax abatement for facility-integrated carbon-to-value equipment

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

1 Section 1. Article 4 of the real property tax law is amended by adding  
2 a new title 3-A to read as follows:

3 TITLE 3-A

4 CARBON-TO-VALUE TAX ABATEMENT FOR CERTAIN PROPERTIES IN A CITY OF

5 ONE MILLION OR MORE PERSONS

6 Section 498. Definitions.

7 498-a. Tax abatement terms and amounts.

8 498-b. Tax abatement application guidelines and rules.

9 498-c. Tax abatement continuing requirements.

10 498-d. Tax abatement revocation rules.

11 498-e. Tax abatement enforcement and administration.

12 498-f. Tax lien and interest rules.

13 § 498. Definitions. When used in this title:

14 1. "Anthropogenic carbon dioxide emissions" shall refer to the release  
15 of heat-trapping carbon dioxide pollution into the atmosphere as a  
16 result of human activities.

17 2. "Application for tax abatement" shall mean an application for a  
18 facility-integrated carbon-to-value equipment tax abatement pursuant to  
19 section four hundred ninety-eight-b of this title.

20 3. "Carbon dioxide beneficial use" shall refer to a practice that  
21 involves the utilization of carbon dioxide in a process to manufacture a  
22 product or operate equipment that: (a) results in a net reduction in  
23 operational and/or embodied carbon dioxide at a facility or property;  
24 and (b) is verified by a life cycle assessment in compliance with Inter-  
25 national Standard ISO 14040.

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

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1 4. "Carbon dioxide capture" shall refer to the process of capturing  
2 carbon dioxide at emissions point sources located at facilities and  
3 buildings.

4 5. "Carbon dioxide removal" shall refer to the process of removing  
5 carbon dioxide from the atmosphere.

6 6. "Carbon dioxide storage" shall refer to the process of chemically  
7 and/or physically sequestering carbon dioxide emissions from post-indus-  
8 trial or atmospheric sources in materials, products or geological forma-  
9 tions for periods of time equal to or greater than one hundred years.

10 7. "Compliance period" shall mean the tax year in which a tax abate-  
11 ment commences and the three tax years immediately thereafter. For  
12 eligible carbon-to-value applications placed in service at eligible  
13 buildings for which annual property tax liability for the eligible  
14 building is less than one hundred thousand dollars, and for which five  
15 percent of the eligible carbon-to-value equipment expenditures exceeds  
16 one hundred thousand dollars, the compliance period shall be extended to  
17 a maximum of eight tax years to allow eligible building owners to avail  
18 a tax abatement equal to the lesser of twenty percent of eligible  
19 carbon-to-value equipment expenditures, or eight hundred thousand  
20 dollars.

21 8. "Designated agency" shall mean one or more agencies or departments  
22 of a city having a population of one million or more persons that are  
23 designated by the mayor of such city to exercise the functions, powers  
24 and duties of a designated agency pursuant to this title, including  
25 certification of eligible carbon-to-value equipment, applications and  
26 buildings.

27 9. "Eligible carbon-to-value application" shall mean the application  
28 of carbon-to-value equipment at facilities for the purposes of mitigat-  
29 ing carbon dioxide emissions that are: (a) generated as a result of the  
30 operation of that facility; and/or (b) the manufacture of materials that  
31 are prepared or produced at that facility, by technologies that remove,  
32 capture and/or beneficially use carbon dioxide, resulting in a net  
33 reduction of carbon dioxide emissions.

34 10. "Eligible building" shall mean class four real property located  
35 within a city having a population of one million or more persons. Desig-  
36 nated agencies shall be empowered to exclude property tax abatement  
37 eligibility of certain building types on the basis of carbon dioxide  
38 emissions reduction and/or environmental justice considerations if the  
39 latter are determined to contradict the intent of existing local laws  
40 that have been established to reduce the carbon dioxide emissions of  
41 such buildings. No building shall be eligible for the property tax  
42 abatement, under this provision, if the designated agencies empowered to  
43 administer such abatement, deem that such building has not exhausted  
44 other viable methods to reduce the building's carbon emissions in align-  
45 ment with rules, objectives and programs established pursuant to exist-  
46 ing local laws. No building shall be eligible for more than one tax  
47 abatement pursuant to this title.

48 11. "Eligible carbon-to-value equipment expenditures" shall mean  
49 reasonable expenditures for materials, labor costs properly allocable to  
50 on-site preparation, assembly and original installation, architectural  
51 and engineering services, and designs and plans directly related to the  
52 construction or installation of carbon-to-value equipment installed in  
53 connection with an eligible building. Such eligible expenditures shall  
54 not include interest or other finance charges, or any expenditures  
55 incurred using a federal, state or local grant.

1 12. "Environmental justice areas" shall mean low-income communities or  
2 minority communities located in a city of one million or more persons  
3 that have been designated and defined pursuant to local law based on  
4 United States census data.

5 13. "Facility-integrated carbon-to-value equipment" refers to technol-  
6 ogies placed in service at buildings within a city of one million or  
7 more persons that remove carbon dioxide from the ambient air, capture  
8 carbon dioxide from emissions point sources located at the property,  
9 and/or utilize carbon dioxide in the production of goods and materials.  
10 Qualified carbon-to-value equipment must perform functions that result  
11 either in verifiable carbon dioxide removal and storage or constitute a  
12 verifiable carbon dioxide beneficial use that results in reduced or  
13 avoided carbon dioxide emissions.

14 § 498-a. Tax abatement terms and amounts. 1. If the facility-integrat-  
15 ed carbon-to-value equipment is placed in service on or after January  
16 first, two thousand twenty-five, and not after December thirty-first,  
17 two thousand thirty, for each year of the compliance period such tax  
18 abatement shall be the lesser of: (a) five percent of eligible facili-  
19 ty-integrated carbon-to-value equipment expenditures; (b) the amount of  
20 taxes payable in such tax year; or (c) one hundred thousand dollars.

21 2. For facility-integrated carbon-to-value equipment that captures  
22 carbon dioxide from boiler systems that combust fossil-based hydrocarbon  
23 fuels eligibility for the property tax abatement shall be restricted to  
24 properties that meet the following conditions:

25 (a) Boiler systems that are located at the property were placed in  
26 service between January first, two thousand nineteen and April twenty-  
27 second, two thousand twenty-four.

28 (b) The carbon dioxide captured at the property by the proposed  
29 carbon-to-value application shall:

30 (i) be utilized subsequent to capture within the physical jurisdiction  
31 of the city with a population of one million or more people; and

32 (ii) result in the storage of carbon dioxide in materials for periods  
33 of no less than one hundred years in duration.

34 (c) The carbon-to-value application at the property shall demonstrate  
35 net carbon dioxide reductions as verified by a life cycle assessment in  
36 compliance with International Standard ISO 14040.

37 (d) The equipment shall not be located at buildings located within  
38 designated environmental justice areas as defined by a city of one  
39 million or more persons pursuant to local law.

40 § 498-b. Tax abatement application guidelines and rules. 1. To obtain  
41 a tax abatement pursuant to this title, an applicant must file an appli-  
42 cation for tax abatement, which may be filed on or after January first,  
43 two thousand twenty-six, and on or before March fifteenth, two thousand  
44 thirty-one.

45 2. Such an application shall contain the following:

46 (a) The name and address of the applicant and the location of the  
47 facility-integrated carbon-to-value equipment.

48 (b) The type of facility-integrated carbon-to-value equipment.

49 (c) A description of the specific utilization or utilizations of the  
50 carbon dioxide that will be removed or captured by the facility-inte-  
51 grated carbon-to-value equipment.

52 (d) Proof that the applicant received all required certifications,  
53 permits and other approvals to construct the facility-integrated  
54 carbon-to-value equipment.

55 (e) Certifications in a form prescribed by a designated agency, from  
56 an architect, engineer or other certified or licensed professional whom

1 a designated agency designates by rule, that: (i) a facility-integrated  
2 carbon-to-value equipment has been placed in service in connection with  
3 an eligible building in accordance with this title, the rules promulgat-  
4 ed hereunder, and local construction and fire codes; and (ii) if deemed  
5 applicable by a designated agency, the facility-integrated carbon-to-va-  
6 lue equipment has been placed on the roof of a building or other struc-  
7 ture, that a structural analysis has been performed establishing that  
8 such building or structure can sustain the load of such facility-inte-  
9 grated carbon-to-value equipment. All certifications required by this  
10 title or the rules promulgated hereunder shall set forth the specific  
11 findings upon which the certification is based, and shall include infor-  
12 mation sufficient to identify the eligible building, the certifying  
13 engineer, architect or other professional, and such other information as  
14 may be prescribed by a designated agency.

15 (f) If deemed applicable, an agreement to permit a designated agency  
16 or its designee to inspect the facility-integrated carbon-to-value  
17 equipment and any related structures and equipment upon reasonable  
18 notice.

19 (g) Any other information or certifications required by a designated  
20 agency pursuant to this title and the rules promulgated hereunder.

21 § 498-c. Tax abatement continuing requirements. The tax abatement  
22 shall be conditioned upon:

23 1. continuing compliance during the compliance period with all appli-  
24 cable provisions of law, including without limitation the local  
25 construction and fire codes, maintaining the facility-integrated  
26 carbon-to-value equipment in such a manner that it continuously consti-  
27 tutes a facility-integrated carbon-to-value equipment within the meaning  
28 of this title and the rules promulgated hereunder, and permitting a  
29 designated agency or its designee to inspect the facility-integrated  
30 carbon-to-value equipment and any related structures and equipment upon  
31 reasonable notice; and

32 2. property taxes, water and sewer charges, payments in lieu of taxes  
33 or other municipal charges with respect to an eligible building not  
34 having been due and owing during the compliance period for a period of  
35 six months or more.

36 § 498-d. Tax abatement revocation rules. 1. The department of taxation  
37 and finance shall revoke, in whole or in part, any tax abatement granted  
38 pursuant to this title whenever a designated agency has determined and  
39 notified the department of taxation and finance that:

40 (a) an applicant has failed to comply with a requirement of this title  
41 or any rule promulgated hereunder at any time during the compliance  
42 period including, but not limited to, any of the continuing requirements  
43 set forth in subdivision one of section four hundred ninety-nine-c of  
44 this title;

45 (b) an eligible building has not been in compliance at any time during  
46 the compliance period with a requirement of this title or any rule  
47 promulgated hereunder;

48 (c) the facility-integrated carbon-to-value equipment for which a tax  
49 abatement was granted has at any time during the compliance period  
50 failed to meet any requirement for a facility-integrated carbon-to-value  
51 equipment pursuant to this title or any rule promulgated hereunder;

52 (d) facility-integrated carbon-to-value equipment has become a fire or  
53 safety hazard at any time during the compliance period; or

54 (e) an application, certification, report or other document submitted  
55 by the applicant contains a false or misleading statement as to a mate-

1 rial fact or omits to state any material fact necessary in order to make  
2 the statement therein not false or misleading.

3 2. The department of taxation and finance may revoke, in whole or in  
4 part, any tax abatement granted pursuant to this title whenever it has  
5 determined that an applicant has failed to comply with the continuing  
6 requirements set forth in section four hundred ninety-nine-c of this  
7 article.

8 3. Where it has been determined by a designated agency, after notice  
9 and an opportunity to be heard, that any of the provisions of subdivi-  
10 sion one of this section have not been complied with, such designated  
11 agency shall notify the department of taxation and finance no later than  
12 the ninetieth day after the last day of the compliance period.

13 4. An applicant shall pay, with interest, such part of any tax abate-  
14 ment received pursuant to this title that represents the period of non-  
15 compliance as determined by the designated agency or the department of  
16 taxation and finance. In addition, a designated agency may declare any  
17 applicant ineligible for future tax abatement pursuant to this title if  
18 any application, certification, report or other document submitted by  
19 the applicant contains a false or misleading statement as to a material  
20 fact or omits to state any material fact necessary in order to make the  
21 statement therein not false or misleading.

22 § 498-e. Tax abatement enforcement and administration. 1. The depart-  
23 ment of taxation and finance shall have, in addition to any other func-  
24 tions, powers and duties that have been or may be conferred on it by  
25 law, the following functions, powers and duties to be exercised in  
26 accordance with this title:

27 (a) to apply a tax abatement;

28 (b) to revoke all or part of any such tax abatement;

29 (c) to make and promulgate rules to carry out the purposes of this  
30 title; and

31 (d) any other function, power or duty necessarily implied by this  
32 title.

33 2. A designated agency shall have, in addition to any other functions,  
34 powers and duties that have been or may be conferred on it by law, the  
35 following functions, powers and duties to be exercised in accordance  
36 with this title:

37 (a) to receive, review, approve and deny applications for tax abate-  
38 ment;

39 (b) to inspect facility-integrated carbon-to-value equipment and any  
40 related structures and equipment;

41 (c) to establish permit or certification requirements to determine  
42 when the facility-integrated carbon-to-value equipment has been placed  
43 in service, such as certification by an architect, engineer or other  
44 certified or licensed professional whom a designated agency designates  
45 by rule;

46 (d) to establish guidance and procedures for determining or certifying  
47 eligible facility-integrated carbon-to-value equipment expenditures;

48 (e) to prescribe forms and make and promulgate rules to carry out the  
49 purposes of this title;

50 (f) to make the determinations provided for in this title and to noti-  
51 fy the department of taxation and finance of such determinations; and

52 (g) any other function, power or duty necessarily implied by this  
53 title.

54 3. If a designated agency determines that an architect or engineer or  
55 other certified or licensed professional whom a designated agency desig-  
56 nates by rule, in making any certification under this title or any rule

1 promulgated hereunder, engaged in professional misconduct, then such  
2 agency shall so inform the education department or other appropriate  
3 certifying or licensing authority.

4 4. A designated agency may provide for reasonable administrative  
5 charges or fees necessary to defray expenses of administering the tax  
6 abatement program established by this title.

7 5. A designated agency and the department of taxation and finance  
8 shall establish procedures that are necessary or appropriate for: (a)  
9 the timely notification to the department of taxation and finance by a  
10 designated agency of an approval of an application for tax abatement or  
11 of any noncompliance pursuant to section four hundred ninety-nine-d of  
12 this article; and (b) any other interagency coordination to facilitate  
13 the purposes of this title.

14 § 498-f. Tax lien and interest rules. All taxes, with interest,  
15 required to be paid retroactively pursuant to this title shall consti-  
16 tute a tax lien as of the date it is determined such taxes and interest  
17 are owed. All interest shall be calculated from the date the taxes would  
18 have been due but for the tax abatement granted pursuant to this title  
19 at the applicable rate or rates of interest imposed generally for non-  
20 payment of real property tax with respect to the eligible building for  
21 the period in question.

22 § 2. This act shall take effect immediately.