

# STATE OF NEW YORK

1529--A

2025-2026 Regular Sessions

## IN SENATE

January 10, 2025

Introduced by Sens. PARKER, FAHY, FERNANDEZ, MAY, ROLISON, WEBB -- read twice and ordered printed, and when printed to be committed to the Committee on Agriculture -- recommitted to the Committee on Agriculture in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the agriculture and markets law and the tax 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. Section 150 of the agriculture and markets law is amended by  
4 adding a new subdivision 5 to read as follows:

5 5. "Carbon farming" means the implementation of land management strat-  
6 egies for the purposes of sequestering greenhouse gas emissions into  
7 agricultural soils, minerals and biomass on land used in support of a  
8 farm operation, or in carbonate minerals or bicarbonates, through  
9 approved carbon farming practices pursuant to section one hundred  
10 fifty-one-s of this chapter.

11 § 3. The agriculture and markets law is amended by adding a new arti-  
12 cle 11-C to read as follows:

### ARTICLE 11-C

#### CARBON FARMING ACT

15 Section 151-p. Legislative findings and intent.

16 151-q. Definitions.

17 151-r. Carbon farming certification committee.

18 151-s. Approval of carbon farming certification.

19 151-t. Carbon farming education.

20 § 151-p. Legislative findings and intent. The legislature finds and  
21 declares that carbon farming presents a significant economic opportunity

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

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1 for New York's agricultural sector while advancing the state's climate  
2 goals. By incentivizing soil carbon sequestration, enhancing soil  
3 health, and reducing greenhouse gas emissions, this legislation will  
4 provide direct economic benefits to farmers, improve long-term agricul-  
5 tural productivity, and contribute to the expansion of a carbon farming  
6 industry within the state. Establishing New York as a leader in this  
7 field will promote investment, job creation, and rural economic develop-  
8 ment, while also positioning the state as a model for integrating  
9 climate-smart agricultural practices into a broader decarbonization  
10 strategy.

11 § 151-q. Definitions. As used in this article:

12 1. "Committee" means the carbon farming certification committee estab-  
13 lished pursuant to section one hundred fifty-one-r of this article.

14 2. "Carbon farming certification framework" or "certification frame-  
15 work" means the set of technical criteria and procedures used to deter-  
16 mine eligibility for the carbon farming tax credit. The certification  
17 framework shall be used to: (a) identify qualified carbon farming prac-  
18 tices that are appropriate and effective within the context of New York  
19 state farming systems, based on credible research and regionally rele-  
20 vant data; (b) define the factors to be considered in evaluating carbon  
21 sequestration potential, including expected duration of storage, moni-  
22 toring and verification requirements, appropriate application ranges,  
23 and implementation conditions; and (c) provide the basis for developing  
24 practice-specific certification standards for each qualified practice.

25 3. "Carbon farming practice standard" or "practice standard" means the  
26 set of practice-specific requirements that shall be met for a qualified  
27 practice to be eligible for the carbon farming tax credit. Each practice  
28 standard shall: (a) establish the parameters for monitoring, reporting  
29 and verification, consistent with accepted scientific and technical  
30 methodologies; (b) define appropriate application ranges and implementa-  
31 tion thresholds to ensure agronomic suitability and to prevent excessive  
32 use of a practice solely for the purpose of increasing the credit value;  
33 and (c) specify the conditions under which the practice shall be imple-  
34 mented to ensure that the intended carbon sequestration outcomes are  
35 achieved.

36 4. "Carbon farming credit value" or "credit value" means the monetary  
37 value assigned per metric ton of carbon dioxide equivalent removed  
38 through qualified practices, based on the social cost of carbon as  
39 adopted by the department pursuant to section 75-0113 of the environ-  
40 mental conservation law, and adjusted, where applicable, by a factor  
41 reflecting the expected duration of carbon sequestration.

42 5. "Carbon farming tax credit" means the carbon farming credit estab-  
43 lished pursuant to section two hundred ten-B or six hundred six of the  
44 tax law.

45 6. "Durability rating" means an assessment of the expected length of  
46 time that carbon dioxide removed through a qualified practice will  
47 remain sequestered. Practices that are determined to store carbon for  
48 one hundred years or longer shall receive the highest rating. Practices  
49 with shorter storage durations shall receive proportionally lower  
50 ratings, to ensure that the value of the tax credit reflects the longev-  
51 ity of the carbon benefits, as determined using methodologies approved  
52 by the department.

53 7. "Farm product" has the same meaning as set forth in subdivision  
54 five of section two of this chapter.

55 8. "Monitoring, reporting, and verification" or "MRV" means the  
56 systematic process of tracking, documenting, and confirming the carbon

1 sequestration impact of carbon farming practices through approved meth-  
2 odologies, ensuring compliance and transparency in reported outcomes.

3 § 151-r. Carbon farming certification committee. 1. There is hereby  
4 created within the department a carbon farming certification committee  
5 for the purpose of developing a certification framework, determining  
6 qualified carbon removal practices eligible for the carbon farming tax  
7 credit, and promulgating certification standards for qualified carbon  
8 removal practices.

9 2. The carbon farming certification committee shall consist of: the  
10 commissioner or their chosen designee; the commissioner of environmental  
11 conservation or their chosen designee; two representatives appointed by  
12 the governor; two representatives appointed by the temporary president  
13 of the senate; two representatives appointed by the speaker of the  
14 assembly; one representative appointed by the minority leader of the  
15 senate; and one representative appointed by the minority leader of the  
16 assembly. Such members shall be appointed in accordance with the  
17 provisions of subdivision three of this section.

18 3. The carbon farming certification committee shall include members  
19 from regions throughout the state and shall include at least one repre-  
20 sentative practicing farming in the state. Such representatives shall  
21 have experience in one or more of the following fields: soil science,  
22 agronomy, carbon quantification, climate science, or New York state  
23 farming systems.

24 4. The members of the committee shall serve without compensation but  
25 shall be entitled to reimbursement for all necessary expenses incurred  
26 in the performance of their duties.

27 5. The committee shall establish a framework for evaluating carbon  
28 farming practices that will be used to qualify carbon farming practices  
29 for the carbon farming tax credit and develop practice specific certif-  
30 ication standards for each qualified practice. Pursuant to qualifying or  
31 disqualifying a practice, the committee shall assess, consider, and make  
32 determinations in reference to the following:

33 (a) scientific evidence of carbon sequestration benefits of carbon  
34 farming practices under New York state conditions;

35 (b) parameters required for monitoring, reporting and verification of  
36 each practice, consistent with accepted scientific and technical method-  
37 ologies;

38 (c) appropriate application ranges and implementation thresholds for  
39 each qualified practice to ensure agronomic suitability and prevent  
40 excessive application; and

41 (d) other conditions under which each practice must be implemented to  
42 ensure the intended carbon sequestration outcomes are achieved.

43 6. Before finalizing the certification framework, determining quali-  
44 fied carbon removal practices eligible for the carbon farming tax credit  
45 and promulgating certification standards for the qualified carbon  
46 removal practices pursuant to subdivision one of this section, the  
47 committee shall provide a draft framework to the department and the  
48 department shall make such information available on its website.

49 7. The committee shall hold at least three public hearings on the  
50 draft framework and shall allow at least sixty days for the submission  
51 of public comment.

52 8. The committee shall convene within sixty days of the effective date  
53 of this section and shall deliver the certification framework, determine  
54 qualified practices, and deliver associated practice-specific certif-  
55 ication standards to the department no later than eighteen months from  
56 the date of its first meeting.

1 9. The committee shall meet no less than annually to review the  
2 certification framework and certification standards and may modify such  
3 framework and standards to incorporate new data and scientific findings.  
4 The committee shall review qualified carbon removal practices and modify  
5 such practices as needed.

6 § 151-s. Approval of carbon farming certification. 1. Upon delivery of  
7 the certification framework, qualified carbon removal practices eligible  
8 for the carbon farming tax credit, and certification standards from the  
9 carbon farming certification committee pursuant to section one hundred  
10 fifty-one-r of this article, the department shall review, amend and  
11 approve such certification framework and certification standards no  
12 later than six months after delivery to the department by the committee.  
13 The department, in consultation with the department of environmental  
14 conservation, shall:

15 (a) establish procedures for verifying compliance with each practice-  
16 specific certification standard; and

17 (b) promulgate rules and regulations necessary to implement the  
18 provisions of this subdivision.

19 2. Upon approval of the certification framework, list of qualified  
20 practices, and associated practice-specific certification standards, the  
21 department shall transmit such materials to the department of taxation  
22 and finance for the purpose of administering the carbon farming tax  
23 credit authorized pursuant to the tax law.

24 3. The department shall provide ongoing technical guidance and support  
25 to the department of taxation and finance as needed to ensure that tax  
26 credit claims are consistent with the approved certification framework  
27 and certification standards.

28 4. The department of taxation and finance shall consult with the  
29 department as needed to verify compliance, resolve disputes, and support  
30 implementation of the credit.

31 § 151-t. Carbon farming education. 1. The department, in cooperation  
32 with the department of environmental conservation, the state soil and  
33 water conservation committee, and the New York state college of agricul-  
34 ture and life sciences shall develop educational materials to encourage  
35 carbon farming. Such educational materials shall promote farming prac-  
36 tices which reduce, sequester and mitigate greenhouse gas emissions on  
37 land used in support of a farm operation.

38 2. The department shall promote the carbon farming tax credit estab-  
39 lished pursuant to sections two hundred ten-B and six hundred six of the  
40 tax law.

41 § 4. Section 210-B of the tax law is amended by adding a new subdivi-  
42 sion 63 to read as follows:

43 63. Carbon farming credit. (a) Allowance of credit. A taxpayer that is  
44 an agricultural business that produces farm products shall be allowed a  
45 credit against the tax imposed by this article for the practice of  
46 carbon farming.

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

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

52 (ii) "carbon farming credit value" shall mean the monetary value  
53 assigned per metric ton of carbon dioxide equivalent removed through  
54 qualified carbon farming practices, based on the social cost of carbon  
55 as set forth in section 75-0113 of the environmental conservation law,

1 and adjusted, where applicable, by a factor reflecting the expected  
2 duration of carbon sequestration;

3 (iii) "carbon sequestration" shall mean the storage of carbon in  
4 trees, soil, minerals, and water;

5 (iv) "durability rating" shall mean an assessment of the expected  
6 length of time that carbon dioxide removed through a qualified practice  
7 will remain sequestered. Practices that are determined to result in  
8 carbon sequestration of one hundred years or more shall be assigned a  
9 durability rating equal to one;

10 (v) "farm products" shall have the same meaning as set forth in subdi-  
11 vision five of section two of the agriculture and markets law;

12 (vi) "qualified carbon farming practice" shall mean a practice listed  
13 as eligible under the carbon farming certification framework established  
14 pursuant to section one hundred fifty-one-r of the agriculture and  
15 markets law; and

16 (vii) "social cost of carbon" shall have the same meaning as set forth  
17 in section 75-0113 of the environmental conservation law.

18 (c) Valuation of credit. The monetary value of the credit, per metric  
19 ton, shall vary according to the durability rating of each carbon farm-  
20 ing practice. Values shall be derived from the social cost of carbon and  
21 adjusted based on the durability rating of each practice to ensure that  
22 the value of the tax credit reflects the longevity of the carbon bene-  
23 fits. Practices that are determined to store carbon for one hundred  
24 years or longer shall be assigned credit values equal to the social cost  
25 of carbon per metric ton. Practices with shorter storage durations shall  
26 be assigned proportionally lower credit values adjusted for their dura-  
27 bility rating.

28 (d) Application of credit. Such credit shall be equal to the total  
29 number of metric tons of carbon dioxide removed and sequestered during  
30 the taxable year, as certified pursuant to section one hundred fifty-  
31 one-s of the agriculture and markets law, multiplied by the carbon farm-  
32 ing credit value.

33 (e) Certification required. The taxpayer shall attach to its tax  
34 return its final certificate of eligibility issued by the commissioner  
35 of agriculture and markets pursuant to section one hundred fifty-one-s  
36 of the agriculture and markets law. In no event shall the taxpayer be  
37 allowed a credit greater than the amount of the credit listed on the  
38 final certificate verifying the emissions reductions to be credited to  
39 the taxpayer.

40 (f) Carryover of credit. If the amount of the credit allowable under  
41 this subdivision shall exceed the taxpayer's tax for such year and the  
42 taxpayer's New York adjusted gross income for such year does not exceed  
43 sixty thousand dollars, the excess shall be treated as an overpayment of  
44 tax to be credited or refunded in accordance with the provisions of  
45 section six hundred eighty-six of this chapter, provided, however, that  
46 no interest shall be paid thereon. If the taxpayer's New York adjusted  
47 gross income for such year exceeds sixty thousand dollars, the excess  
48 credit may be carried over to the following year or years and may be  
49 deducted from the taxpayer's tax for such year or years.

50 § 5. Section 606 of the tax law is amended by adding a new subsection  
51 (uuu) to read as follows:

52 (uuu) Carbon farming credit. (1) Allowance of credit. A taxpayer who  
53 provides farm products and who practices carbon farming shall be allowed  
54 a credit against the tax imposed by this article.

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

1 (A) "Carbon farming" shall have the same meaning as set forth in  
2 subdivision five of section one hundred fifty of the agriculture and  
3 markets law.

4 (B) "Carbon farming credit value" shall mean the monetary value  
5 assigned per metric ton of carbon dioxide equivalent removed through  
6 qualified carbon farming practices, based on the social cost of carbon  
7 as set forth in section 75-0113 of the environmental conservation law,  
8 and adjusted, where applicable, by a factor reflecting the expected  
9 duration of carbon sequestration.

10 (C) "Carbon sequestration" shall mean the storage of carbon in trees,  
11 soil, minerals, and water.

12 (D) "Durability rating" shall mean an assessment of the expected  
13 length of time that carbon dioxide removed through a qualified practice  
14 will remain sequestered. Practices that are determined to result in  
15 carbon sequestration of one hundred years or more shall be assigned a  
16 durability rating equal to one.

17 (E) "Farm products" shall have the same meaning as set forth in subdi-  
18 vision five of section two of the agriculture and markets law.

19 (F) "Qualified carbon farming practice" shall mean a practice listed  
20 as eligible under the carbon farming certification framework established  
21 pursuant to section one hundred fifty-one-r of the agriculture and  
22 markets law.

23 (G) "Social cost of carbon" shall have the same meaning as set forth  
24 in section 75-0113 of the environmental conservation law.

25 (3) Application of credit. Such credit shall be equal to the total  
26 number of metric tons of carbon dioxide removed and sequestered during  
27 the taxable year, as certified pursuant to section one hundred fifty-  
28 one-s of the agriculture and markets law, multiplied by the carbon farm-  
29 ing credit value.

30 (4) Certification required. The taxpayer shall attach to its tax  
31 return its final certificate of eligibility issued by the commissioner  
32 of agriculture and markets pursuant to section one hundred fifty-one-s  
33 of the agriculture and markets law. In no event shall the taxpayer be  
34 allowed a credit greater than the amount of the credit listed on the  
35 final certificate verifying the emissions reductions to be credited to  
36 the taxpayer.

37 (5) Carryover of credit. If the amount of the credit allowable under  
38 this subsection shall exceed the taxpayer's tax for such year and the  
39 taxpayer's New York adjusted gross income for such year does not exceed  
40 sixty thousand dollars, the excess shall be treated as an overpayment of  
41 tax to be credited or refunded in accordance with the provisions of  
42 section six hundred eighty-six of this article, provided, however,  
43 that no interest shall be paid thereon. If the taxpayer's New York  
44 adjusted gross income for such year exceeds sixty thousand dollars,  
45 the excess credit may be carried over to the following year or years  
46 and may be deducted from the taxpayer's tax for such year or years.

47 § 6. Paragraph (a-1) of subdivision 1 of section 210-B of the tax law,  
48 as added by section one of subpart A of part B of chapter 59 of the laws  
49 of 2022, is amended to read as follows:

50 (a-1) For a taxpayer that is an eligible farmer, as defined in subdi-  
51 vision eleven of this section, the percentage to be used to compute the  
52 credit allowed under this subdivision shall be twenty percent for prop-  
53 erty described in subparagraph (i) of paragraph (b) of this subdivision  
54 that is principally used by the taxpayer in the production of goods by  
55 farming, agriculture, horticulture, floriculture or viticulture. For any  
56 such property described in subparagraph (i) of paragraph (b) of this

1 subdivision that is principally used by the eligible taxpayer for the  
2 purposes of carbon farming, as defined in subdivision five of section  
3 one hundred fifty of the agriculture and markets law, the percentage to  
4 be used to compute the credit allowed under this subdivision shall be an  
5 additional ten percent.

6 § 7. Paragraph 1-a of subsection (a) of section 606 of the tax law, as  
7 added by section 2 of subpart A of part B of chapter 59 of the laws of  
8 2022, is amended to read as follows:

9 (1-a) For a taxpayer that is an eligible farmer, as defined in  
10 subsection (n) of this section, the percentage to be used to compute the  
11 credit allowed under this subsection shall be twenty percent for proper-  
12 ty described in subparagraph (A) of paragraph two of this subsection  
13 that is principally used by the taxpayer in the production of goods by  
14 farming, agriculture, horticulture, floriculture or viticulture. For any  
15 such property described in subparagraph (A) of paragraph two of this  
16 subsection that is principally used by the eligible taxpayer for the  
17 purposes of carbon farming, as defined in subdivision five of section  
18 one hundred fifty of the agriculture and markets law, the percentage to  
19 be used to compute the credit allowed under this subsection shall be an  
20 additional ten percent.

21 § 8. This act shall take effect on the one hundred eightieth day after  
22 it shall have become a law. Effective immediately, the addition, amend-  
23 ment and/or repeal of any rule or regulation necessary for the implemen-  
24 tation of this act on its effective date are authorized to be made and  
25 completed on or before such effective date.