

STATE OF NEW YORK

2316

2025-2026 Regular Sessions

IN SENATE

January 16, 2025

Introduced by Sen. ORTT -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to providing a tax credit to farmers who purchase biodiesel fuel for the operation of their farm equipment

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

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

3 61. Credit for biodiesel fuel used in farming equipment. (a) Allow-
4 ance of credit. A taxpayer that is a business principally engaged in
5 farming, as such term is defined in paragraph nineteen of subdivision
6 (b) of section eleven hundred one of this chapter shall be allowed a
7 credit against the tax imposed by this article for the purchase of
8 qualified biodiesel fuel to be used in farming equipment in this state.
9 Such credit shall be \$0.01 per percent of biodiesel per gallon of quali-
10 fied biodiesel fuel, not to exceed twenty cents per gallon, purchased by
11 such taxpayer during the taxable year and used in farming equipment.

12 (b) For purposes of this subdivision, the following definitions shall
13 apply:

14 (1) "Biodiesel" shall mean a fuel comprised exclusively of monoalkyl
15 esters of long chain fatty acids derived from vegetable oils or animal
16 fats, designated B100, which meets the specifications of American Socie-
17 ty of Testing and Materials designation D 6751.

18 (2) "Qualified biodiesel" shall mean a fuel that is a mixture of biod-
19 iesel and diesel motor fuel.

20 (c) Application of credit. In no event shall the credit herein
21 provided for be allowed in an amount which will reduce the tax payable
22 to less than the amount prescribed in paragraph (d) of subdivision one
23 of section two hundred ten of this article. However, if the amount of

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

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1 the credit allowed under this subdivision for any taxable year shall
2 exceed the taxpayer's tax for such year, the excess shall be treated as
3 an overpayment of tax to be credited or refunded in accordance with the
4 provisions of section one thousand eighty-six of this chapter, provided,
5 however, that no interest shall be paid on such refund, notwithstanding
6 the provisions of subsection (c) of section one thousand eighty-eight of
7 this chapter.

8 § 2. Section 606 of the tax law is amended by adding a new subsection
9 (bbb) to read as follows:

10 (bbb) Credit for biodiesel fuel used in farming equipment. (1) Allow-
11 ance of credit. A taxpayer whose federal gross income from farming for
12 the taxable year is at least two-thirds of excess federal gross income
13 shall be allowed a credit against the tax imposed by this article for
14 the purchase of qualified biodiesel fuel to be used in farming equipment
15 in this state. Such credit shall be \$0.01 per percent of biodiesel per
16 gallon of qualified biodiesel fuel, not to exceed twenty cents per
17 gallon, purchased by such taxpayer during the taxable year and used in
18 farming equipment.

19 (2) Definitions. For purposes of this subsection, the following defi-
20 nitions shall apply:

21 (A) "Excess federal gross income" means the amount of federal gross
22 income from all sources for the taxable year reduced by the sum (not to
23 exceed thirty thousand dollars) of those items included in federal gross
24 income which consist of (i) earned income, (ii) pension payments,
25 including social security payments, (iii) interest, and (iv) dividends.
26 For purposes of this paragraph, the term "earned income" shall mean
27 wages, salaries, tips and other employee compensation, and those items
28 of gross income which are includible in the computation of net earnings
29 from self-employment. For the purposes of this paragraph, payments from
30 the state's farmland protection program, administered by the department
31 of agriculture and markets, shall be included as federal gross income
32 from farming.

33 (B) "Biodiesel" means a fuel comprised exclusively of monoalkyl esters
34 of long chain fatty acids derived from vegetable oils or animal fats,
35 designated B100, which meets the specifications of American Society of
36 Testing and Materials designation D 6751.

37 (C) "Qualified biodiesel" means a fuel that is a mixture of biodiesel
38 and diesel motor fuel.

39 (3) Application of credit. If the amount of the credit allowed under
40 this subsection for any taxable year shall exceed the taxpayer's tax for
41 such year, the excess shall be treated as an overpayment of tax to be
42 credited or refunded in accordance with the provisions of section six
43 hundred eighty-six of this article, provided, however, that no interest
44 shall be paid thereon.

45 § 3. This act shall take effect immediately and shall apply to taxable
46 years beginning on and after January 1, 2026.