

# STATE OF NEW YORK

8918--A

## IN SENATE

January 15, 2026

Introduced by Sen. KAVANAGH -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public housing law, in relation to establishing the build up New York pilot program and the mass timber for affordable housing program; and to amend the tax law, in relation to establishing tax credits for the mass timber for affordable housing program and for mass timber production; and providing for the repeal of certain provisions upon expiration thereof

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

1 Section 1. Short title. This act shall be known and may be cited as  
2 the "facilitating resilient affordable mass timber expansion act" or the  
3 "FRAME act".

4 § 2. Legislative intent. The legislature finds that mass timber is a  
5 sustainable, resilient, and efficient construction material that can  
6 reduce greenhouse gas emissions, lower construction costs, and acceler-  
7 ate housing production. The use of mass timber supports New York's  
8 climate goals, promotes workforce development, and strengthens supply  
9 chains for renewable building products. The purpose of this act is to:

10 1. Pilot the use of mass timber in affordable housing retrofits and  
11 additions;

12 2. Provide tax incentives to encourage adoption of mass timber in  
13 affordable housing projects; and

14 3. Spur investment in facilities and machinery that produce mass  
15 timber products within New York state forests.

16 § 3. The public housing law is amended by adding a new article 16 to  
17 read as follows:

### ARTICLE XVI

#### BUILD UP NEW YORK PILOT PROGRAM

##### Section 660. Definitions.

20 661. Build up New York pilot program.

21 662. Prevailing wage requirements.

22

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

LBD13967-08-6

663. Annual evaluations.

§ 660. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Mass timber" means engineered wood products such as cross-laminated timber, dowel laminated timber, nail laminated timber, glue-laminated timber, and glue-laminated beams and columns.

2. "Qualifying affordable housing projects" means new housing projects built on top of existing buildings or from the ground up and utilizing mass timber that serve households up to one hundred fifty percent of area median income.

3. "Eligible participant" means a municipality that has received a pro-housing community certification from the division of homes and community renewal.

§ 661. Build up New York pilot program. No later than one year from the effective date of this article, the commissioner shall establish a competitive build up New York pilot program. Such program shall provide grants to eligible participants constructing qualifying affordable housing projects using mass timber, and priority shall be given to qualifying affordable housing projects using mass timber harvested within New York from forests with an approved management plan pursuant to section four hundred eighty-a of the real property tax law.

§ 662. Prevailing wage requirements. The pilot program established pursuant to this article shall require that an eligible participant or a third-party acting on the eligible participant's behalf shall comply with the provisions of section two hundred twenty-four-a of the labor law.

§ 663. Annual evaluations. The division of homes and community renewal shall conduct annual evaluations of the pilot program established pursuant to this article and shall submit a summary evaluation of the pilot program at the end of the second year of such program and again at the conclusion of the program to the temporary president of the senate and the speaker of the assembly. Such evaluations shall include, but not be limited to:

1. The number of applicants to the pilot program and their geographic distribution;

2. The number of projects completed and the number of new units created as a result of the pilot program;

3. Barriers or challenges to implementation of the pilot program; and

4. Legislative recommendations for the expansion or improvement of the pilot program.

§ 4. The public housing law is amended by adding a new article 17 to read as follows:

Article XVII

MASS TIMBER FOR AFFORDABLE HOUSING PROGRAM

Section 670. Definitions.

671. Eligibility criteria.

672. Application and approval process.

673. Powers and duties of the commissioner.

674. Mass timber for affordable housing tax credit.

675. Reporting.

§ 670. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Division" means the division of homes and community renewal.

1 2. "Certificate of eligibility" means the document issued by the divi-  
2 sion to an applicant that has completed an application for the mass  
3 timber for affordable housing program and has been accepted into the  
4 program by the division. Possession of a certificate of eligibility does  
5 not by itself guarantee eligibility to claim the tax credit.

6 3. "Certificate of tax credit" means the document issued to a partic-  
7 ipant by the division, after the division has verified that the partic-  
8 ipant has met all applicable eligibility criteria pursuant to this arti-  
9 cle. The certificate of tax credit shall specify the exact amount of the  
10 tax credit allowed pursuant to this article that a participant may claim  
11 and shall specify the taxable year in which such tax credit may be  
12 claimed.

13 4. "Participant" means a business entity that:

14 (a) has completed an application prescribed by the division to be  
15 admitted into the program;

16 (b) has been issued a certificate of eligibility by the division;

17 (c) has demonstrated that it meets the eligibility criteria in section  
18 six hundred seventy-one of this article; and

19 (d) has been certified as a participant by the commissioner.

20 5. "Qualifying affordable housing project" means new construction, or  
21 a major retrofit of an existing building, that will primarily serve  
22 households up to one hundred fifty percent of the area median income.

23 6. "Mass timber" means engineered wood products such as cross-laminat-  
24 ed timber, dowel laminated timber, nail laminated timber, glue-laminated  
25 timber, and glue-laminated beams and columns.

26 § 671. Eligibility criteria. Eligibility criteria for the mass timber  
27 for affordable housing program shall require that participants:

28 1. primarily utilize mass timber in qualifying affordable housing  
29 projects;

30 2. be in compliance with all worker protection and environmental laws  
31 and regulations; and

32 3. not owe past due state taxes or local property taxes unless the  
33 participant is making payments and complying with an approved binding  
34 payment agreement entered into with the taxing authority.

35 § 672. Application and approval process. 1. Applicants for the program  
36 shall submit a completed application in such form and with such informa-  
37 tion as prescribed by the commissioner. The application shall require  
38 that applicants:

39 (a) agree to allow the department of taxation and finance to share the  
40 applicant's tax information with the division; provided, however, that  
41 any information shared as a result of such agreement shall not be avail-  
42 able for disclosure or inspection under the state freedom of information  
43 law;

44 (b) agree to allow the department of labor to share the applicant's  
45 employer information with the division; provided, however, that any  
46 information shared as a result of this agreement shall not be available  
47 for disclosure or inspection under the state freedom of information law;

48 (c) allow the division and its agents access to any and all books and  
49 records that the division may require to monitor compliance; and

50 (d) certify, under penalty of perjury, that the applicant is in  
51 substantial compliance with all environmental, worker protection, and  
52 local, state, and federal tax laws.

53 2. After reviewing an applicant's completed application and determin-  
54 ing that the applicant will meet the requirements of this section, the  
55 division may admit the applicant into the program and provide such  
56 applicant with a certificate of eligibility.

1 3. In order to become a participant in the program, an applicant shall  
2 submit evidence, in such form as the commissioner may prescribe, that  
3 such applicant satisfies the eligibility criteria set forth in section  
4 six hundred seventy-one of this article. After reviewing such evidence,  
5 if the division finds that the applicant satisfies the eligibility  
6 criteria, then the division shall certify the applicant as a participant  
7 and issue to such participant a certificate of tax credit.

8 § 673. Powers and duties of the commissioner. 1. The commissioner  
9 shall promulgate regulations consistent with the purposes of this arti-  
10 cle which, notwithstanding any provisions to the contrary in the state  
11 administrative procedure act, may be adopted on an emergency basis. Such  
12 regulations shall include, but not be limited to, establishing an appli-  
13 cation process and eligibility criteria for business entities desiring  
14 to participate in the mass timber for affordable housing program so as  
15 not to exceed the annual cap on tax credits set forth in section six  
16 hundred seventy-four of this article and such other provisions as the  
17 commissioner deems to be appropriate to implement the provisions of this  
18 article.

19 2. The commissioner shall, in consultation with the department of  
20 taxation and finance, develop a certificate of tax credit that shall be  
21 issued by the commissioner to participants. Participants shall be  
22 required to include the certificate of tax credit with their tax return  
23 to receive any tax benefits under this article.

24 3. The commissioner shall solely determine the eligibility of any  
25 applicant applying for entry into the program and shall remove any  
26 participant from the program for failing to meet any of the requirements  
27 set forth in section six hundred seventy-one of this article.

28 § 674. Mass timber for affordable housing tax credit. 1. A partic-  
29 ipant in the mass timber for affordable housing program shall be eligi-  
30 ble for a credit against the costs of purchasing mass timber for a qual-  
31 ifying affordable housing project in New York state. The amount of such  
32 credit shall be equal to twenty-five percent of the cost.

33 2. In addition to the credit authorized pursuant to subdivision one of  
34 this section, a participant in the mass timber for affordable housing  
35 program primarily using mass timber harvested within New York from  
36 forests with an approved management plan pursuant to section four  
37 hundred eighty-a of the real property tax law shall be eligible for an  
38 additional credit against the costs of purchasing mass timber for a  
39 qualifying affordable housing project in New York state. The amount of  
40 such additional credit shall be ten percent of the cost.

41 § 675. Reporting. The division, beginning February first, two thousand  
42 twenty-eight, and annually thereafter provided program funds remain,  
43 shall submit a report to the governor, the temporary president of the  
44 senate, and the speaker of the assembly. Such annual report shall  
45 include, but need not be limited to: the number of participants approved  
46 for the program; the geographical distribution of participants; the  
47 total amount of tax credits provided through the mass timber for afford-  
48 able housing tax credit; the number of new units created; and such other  
49 information as the commissioner determines is necessary and appropriate.  
50 Such reports shall be included on the division's website and be made  
51 publicly available.

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

54 63. Mass timber for affordable housing tax credit. (a) Allowance of  
55 credit. A taxpayer that has been approved by the commissioner of homes  
56 and community renewal to participate in the mass timber for affordable

1 housing program and has been issued a certificate of tax credit pursuant  
2 to section six hundred seventy-two of the public housing law shall be  
3 allowed to claim a credit against the tax imposed by this article. The  
4 credit shall equal up to twenty-five percent of costs directly attribut-  
5 able to the design, procurement, and installation of mass timber in  
6 qualified affordable housing projects; provided, however, that there  
7 shall be an additional credit equal to ten percent of costs directly  
8 attributable to the design, procurement, and installation of mass timber  
9 harvested within New York from forests with an approved management plan  
10 pursuant to section four hundred eighty-a of the real property tax law  
11 in qualified affordable housing projects. In no event shall a taxpayer  
12 be allowed a credit greater than the amount of credit listed on the  
13 certificate of tax credit issued by the commissioner of homes and commu-  
14 nity renewal. No cost or expense paid or incurred by the taxpayer that  
15 is the basis for this credit shall be the basis for any other tax credit  
16 provided by this chapter.

17 (b) Application of credit. The credit allowed under this subdivision  
18 for any taxable year may not reduce the tax due for such year to less  
19 than the amount prescribed in paragraph (d) of subdivision one of  
20 section two hundred ten of this article. However, if the amount of cred-  
21 it allowed under this subdivision for any taxable year reduces the tax  
22 to such amount, or if the taxpayer otherwise pays tax based on the fixed  
23 dollar minimum amount, any amount of credit thus not deductible in that  
24 taxable year will be treated as an overpayment of tax to be credited or  
25 refunded in accordance with the provisions of section one thousand  
26 eighty-six of this chapter. Provided, however, the provisions of  
27 subsection (c) of section one thousand eighty-eight of this chapter  
28 notwithstanding, no interest will be paid thereon.

29 (c) Reporting. The taxpayer shall attach to its tax return its certif-  
30 icate of tax credit issued by the commissioner of homes and community  
31 renewal pursuant to section six hundred seventy-two of the public hous-  
32 ing law. In no event shall the taxpayer be allowed a credit greater than  
33 the amount of the credit listed on the certificate of tax credit, or in  
34 the case of a taxpayer who is a partner in a partnership, a member of a  
35 limited liability company, or shareholder in an S corporation, its pro  
36 rata share of the amount of credit listed on the certificate of tax  
37 credit.

38 (d) Credit recapture. If a certificate of eligibility or a certificate  
39 of tax credit issued by the division of homes and community renewal  
40 under article seventeen of the public housing law is revoked by such  
41 division because the taxpayer does not meet the eligibility requirement  
42 set forth in section six hundred seventy-one of the public housing law,  
43 the amount of credit described in this subdivision and claimed by the  
44 taxpayer prior to that revocation shall be added back to tax in the  
45 taxable year in which any such revocation becomes final.

46 § 6. Section 606 of the tax law is amended by adding a new subsection  
47 (uuu) to read as follows:

48 (uuu) Mass timber for affordable housing tax credit. (1) Allowance of  
49 credit. A taxpayer that has been approved by the commissioner of homes  
50 and community renewal to participate in the mass timber for affordable  
51 housing program and has been issued a certificate of tax credit pursuant  
52 to section six hundred seventy-two of the public housing law shall be  
53 allowed to claim a credit against the tax imposed by this article. The  
54 credit shall equal up to twenty-five percent of costs directly attribut-  
55 able to the design, procurement, and installation of mass timber in  
56 qualified affordable housing projects; provided, however, that there

1 shall be an additional credit equal to ten percent of costs directly  
2 attributable to the design, procurement, and installation of mass timber  
3 harvested within New York from forests with an approved management plan  
4 pursuant to section four hundred eighty-a of the real property tax law  
5 in qualified affordable housing projects. In no event shall a taxpayer  
6 be allowed a credit greater than the amount of credit listed on the  
7 certificate of tax credit issued by the commissioner of homes and commu-  
8 nity renewal. In the case of a taxpayer who is a partner in a partner-  
9 ship, member of a limited liability company or shareholder in an S  
10 corporation, the taxpayer shall be allowed its pro rata share of the  
11 credit earned by the partnership, limited liability company, or S corpo-  
12 ration. No cost or expense paid or incurred by the taxpayer that is the  
13 basis for this credit shall be the basis for any other tax credit  
14 provided by this chapter.

15 (2) Application of credit. If the amount of the credit allowed under  
16 this subsection for any taxable year exceeds the taxpayer's tax for the  
17 taxable year, the excess shall be treated as an overpayment of tax to be  
18 credited or refunded in accordance with the provisions of section six  
19 hundred eighty-six of this article, provided, however, no interest will  
20 be paid thereon.

21 (3) Reporting. The taxpayer shall attach to its tax return its certif-  
22 icate of tax credit issued by the commissioner of homes and community  
23 renewal pursuant to section six hundred seventy-two of the public hous-  
24 ing law. In no event shall the taxpayer be allowed a credit greater than  
25 the amount of the credit listed on the certificate of tax credit, or in  
26 the case of a taxpayer who is a partner in a partnership, a member of a  
27 limited liability company, or shareholder in an S corporation, its pro  
28 rata share of the amount of credit listed on the certificate of tax  
29 credit.

30 (4) Credit recapture. If a certificate of eligibility or a certificate  
31 of tax credit issued by the division of homes and community renewal  
32 under article seventeen of the public housing law is revoked by such  
33 division because the taxpayer does not meet the eligibility requirement  
34 set forth in section six hundred seventy-one of the public housing law,  
35 the amount of credit described in this subsection and claimed by the  
36 taxpayer prior to that revocation shall be added back to tax in the  
37 taxable year in which any such revocation becomes final.

38 § 7. Section 210-B of the tax law is amended by adding a new subdivi-  
39 sion 64 to read as follows:

40 64. Mass timber production tax credit. (a) Allowance of credit. A  
41 taxpayer who is eligible for a credit with respect to tangible personal  
42 property and other tangible property pursuant to paragraph (b) of subdivi-  
43 vision one of this section shall be allowed an additional ten percent  
44 credit with respect to tangible personal property that is principally  
45 used for the purposes of producing, processing or assembling mass  
46 timber.

47 (b) Application of credit. The credit allowed under this subdivision  
48 for any taxable year may not reduce the tax due for such year to less  
49 than the amount prescribed in paragraph (d) of subdivision one of  
50 section two hundred ten of this article. However, if the amount of cred-  
51 it allowed under this subdivision for any taxable year reduces the tax  
52 to such amount, or if the taxpayer otherwise pays tax based on the fixed  
53 dollar minimum amount, any amount of credit thus not deductible in that  
54 taxable year will be treated as an overpayment of tax to be credited or  
55 refunded in accordance with the provisions of section one thousand  
56 eighty-six of this chapter. Provided, however, the provisions of

1 subsection (c) of section one thousand eighty-eight of this chapter  
2 notwithstanding, no interest will be paid thereon.

3 (c) For the purposes of this subdivision, "mass timber" means engi-  
4 neered wood products such as cross-laminated timber, dowel laminated  
5 timber, nail laminated timber, glue-laminated timber, and glue-laminated  
6 beams and columns.

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

9 (www) Mass timber production tax credit. (1) Allowance of credit. A  
10 taxpayer who is eligible for a credit with respect to tangible personal  
11 property and other tangible property pursuant to paragraph two of  
12 subsection (a) of this section shall be allowed an additional ten  
13 percent credit with respect to property that is principally used for the  
14 purposes of producing, processing or assembling mass timber. In the case  
15 of a taxpayer who is a partner in a partnership, member of a limited  
16 liability company or shareholder in an S corporation, the taxpayer shall  
17 be allowed its pro rata share of the credit earned by the partnership,  
18 limited liability company, or S corporation. No cost or expense paid or  
19 incurred by the taxpayer that is the basis for this credit shall be the  
20 basis for any other tax credit provided by this chapter.

21 (2) Application of credit. If the amount of the credit allowed under  
22 this subsection for any taxable year exceeds the taxpayer's tax for the  
23 taxable year, the excess shall be treated as an overpayment of tax to be  
24 credited or refunded in accordance with the provisions of section six  
25 hundred eighty-six of this article, provided, however, no interest will  
26 be paid thereon.

27 (3) For the purposes of this subdivision, "mass timber" means engi-  
28 neered wood products such as cross-laminated timber, dowel laminated  
29 timber, nail laminated timber, glue-laminated timber, and glue-laminated  
30 beams and columns.

31 § 9. This act shall take effect immediately and shall apply to taxa-  
32 ble years beginning on or after January 1, 2026; provided, however, that  
33 section three of this act shall expire and be deemed repealed five years  
34 after such effective date.