

[First Reprint]

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 287

STATE OF NEW JERSEY
220th LEGISLATURE

ADOPTED JUNE 13, 2022

Sponsored by:

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District 14 (Mercer and Middlesex)

Senator TROY SINGLETON

District 7 (Burlington)

Assemblyman JOHN F. MCKEON

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District 34 (Essex and Passaic)

Assemblyman CLINTON CALABRESE

District 36 (Bergen and Passaic)

Co-Sponsored by:

Senators Codey, Diegnan, Cunningham, Gopal, Stack, Zwicker, Pou,

Assemblyman Conaway, Assemblywomen Jaffer, McKnight,

Assemblymen Danielsen, Mukherji, Assemblywomen Jasey, Eulner and

Piperno

SYNOPSIS

Provides CBT and gross income tax credits for certain deliveries of low carbon concrete and for costs of conducting environmental product declaration analyses of low carbon concrete.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 27, 2022, with amendments.

(Sponsorship Updated As Of: 12/15/2022)

1 **AN ACT** concerning the purchase and use of low embodied carbon
2 concrete and supplementing Titles 13 and 54 of the Revised
3 Statutes and Title 54A of the New Jersey Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. a. The Department of Environmental Protection, in
9 consultation with the Director of the Division of Taxation in the
10 Department of the Treasury, shall provide:

11 (1) for the purpose of calculating tax credits to be issued
12 pursuant to P.L. , c. (C.) (pending before the Legislature
13 as this bill), global warming potential baselines for concrete mixes
14 supplied pursuant to contracts with State agencies;

15 (2) thresholds for low embodied carbon concrete and concrete
16 that incorporates carbon capture, utilization, and storage technology
17 to qualify for a tax credit pursuant to P.L. , c. (C.)
18 (pending before the Legislature as this bill), which the department
19 may review and modify pursuant to advancements in low carbon
20 concrete technology or future State laws, regulations, or orders
21 pertaining to the reduction of greenhouse gas emissions;

22 (3) formulae for the tax credits issued pursuant to
23 P.L. , c. (C.) (pending before the Legislature as this bill)
24 for (1) low embodied carbon concrete and (2) concrete that
25 incorporates carbon capture, utilization, and storage technology.
26 The formulae shall provide that the amount of each tax credit is
27 proportional to the reduction of the global warming potential value
28 below the baseline;

29 (4) a uniform process for concrete producers to certify that
30 concrete is low embodied carbon concrete, or that it utilizes carbon
31 capture, utilization, and storage technology, and for determining the
32 global warming potential value of concrete; and

33 (5) any forms and guidance that the department determines are
34 necessary for the submissions required to receive the tax credits
35 allowed pursuant to P.L. , c. (C.) (pending before the
36 Legislature as this bill) or to otherwise implement the provisions of
37 P.L. , c. (C.) (pending before the Legislature as this bill).

38 b. No later than three years after the effective date of
39 P.L. , c. (C.) (pending before the Legislature as this bill),
40 the Commissioner of Environmental Protection, in consultation with
41 the State Treasurer, shall prepare and submit a report to the
42 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
43 19.1), the Legislature, containing a cost-benefit analysis of the tax
44 credits established pursuant to P.L. , c. (C.) (pending

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 27, 2022.

1 before the Legislature as this bill), in order to quantify the
2 budgetary impact of the program relative to its carbon reduction
3 impact. The report shall recommend whether the program should
4 be continued, modified, or repealed, and include any
5 recommendations for legislative or regulatory action to improve the
6 program.

7 c. As used in this section:

8 "Carbon capture, utilization, and storage technology" means
9 technologies or methods to remove carbon dioxide generated by the
10 concrete manufacturing process from the flue gas or the
11 atmosphere, and to recycle the carbon dioxide either through
12 utilization of the captured carbon dioxide in the concrete
13 manufacturing process, or through safe and permanent storage of
14 the captured carbon dioxide.

15 "Concrete" means structural and non-structural masonry, and
16 pre-cast and ready-mix concrete building products.

17 "Department" means the Department of Environmental
18 Protection.

19 "Director" means Director of the Division of Taxation in the
20 Department of the Treasury.

21 "Embodied carbon emissions" means carbon emissions generated
22 as a result of a material's production, including mining, refining,
23 manufacturing, and shipping.

24 "Global warming potential" means a numeric value that measures
25 the total contribution to global warming from the emission of
26 greenhouse gases, or the elimination of greenhouse gas sinks, that
27 results from the production or utilization of concrete.

28 "Low embodied carbon concrete" means concrete that has been
29 certified to embody lower carbon emissions, as measured by a
30 global warming potential metric, than the baseline embodied carbon
31 emissions of conventional concrete made with Portland cement.
32 Low embodied carbon emissions may be achieved through any
33 combination of: (1) higher energy efficiency at the level of the
34 concrete or cement plant; (2) low carbon fuel substitution at the
35 level of the concrete or cement plant; (3) local production of, and
36 use of locally sourced material in, the concrete, resulting in reduced
37 concrete delivery miles and reduced emissions from transportation;
38 (4) the reduction of clinker content in the cement component of
39 concrete, or the substitution of clinker content with lower carbon-
40 intensive alternative materials such as ground, granulated blast
41 furnace slag, fly ash, or recycled ground-glass pozzolan; (5) the
42 capture and storage of point source carbon dioxide emissions during
43 the cement or concrete production process; or (6) the utilization and
44 storage of carbon in concrete materials.

45 "Portland cement" means hydraulic cement produced by
46 pulverizing clinkers in combination with one or more of the forms
47 of calcium sulfate.

1 2. a. For privilege periods beginning on or after January 1 next
2 following the effective date of P.L. , c. (C.) (pending
3 before the Legislature as this bill), a taxpayer that is a producer of
4 low embodied carbon concrete or concrete that utilizes carbon
5 capture, utilization, and storage technology and that meets the
6 requirements of this section shall be allowed a credit against the tax
7 due pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) in an
8 amount as provided in subsection c. of this section.

9 b. In order to qualify for a tax credit pursuant to subsection a.
10 of this section, a concrete producer shall:

11 (1) deliver, pursuant to a contract with a State procuring agency
12 or with a private contracting firm that has contracted with the State,
13 low embodied carbon concrete or concrete that incorporates carbon
14 capture, utilization, and storage technology, which concrete is used
15 by a construction or improvement project that requires the purchase
16 of 50 cubic yards or more of concrete; and

17 (2) submit to the department for review and approval a certified
18 environmental product declaration that provides a global warming
19 potential value for the delivered concrete.

20 c. (1) For the delivery of low embodied carbon concrete, a
21 taxpayer may be eligible for a tax credit calculated using the
22 formula provided by the department pursuant to section 3 of
23 P.L. , c. (C.) (pending before the Legislature as this bill),
24 not to exceed five percent of the costs of the low embodied concrete
25 delivered.

26 (2) For the delivery of concrete that incorporates carbon capture,
27 utilization, and storage technology, a taxpayer may be eligible for a
28 tax credit calculated using the formula provided by the department
29 pursuant to section 3 of P.L. , c. (C.) (pending before the
30 Legislature as this bill), not to exceed three percent of the costs of
31 the concrete delivered that incorporates carbon capture, utilization,
32 and storage technology.

33 (3) A taxpayer delivering concrete that is both low embodied
34 carbon concrete and concrete that incorporates carbon capture,
35 utilization, and storage technology may qualify for both tax credits
36 authorized pursuant to paragraphs (1) and (2) of this subsection, not
37 to exceed eight percent of the costs of the concrete delivered that is
38 low embodied carbon concrete that incorporates carbon capture,
39 utilization, and storage technology.

40 d. In order to receive the tax credit allowed pursuant to this
41 section, a taxpayer shall submit to the using agency a certification,
42 in a form provided by the department, that includes: (a) a statement
43 of the amount and cost of the low embodied carbon concrete or
44 concrete that incorporates carbon capture, utilization and storage
45 technology that was delivered in accordance with paragraph (1) of
46 subsection b. of this section, with appropriate supporting
47 documentation; (b) the environmental product declaration approved
48 by the department pursuant to paragraph (2) of subsection b. of this

1 section; (c) the amount of the tax credit calculated pursuant to
2 subsection c. of this section; (d) a copy of the contract pursuant to
3 which concrete was delivered; and (e) any other information as
4 determined relevant by the department or requested by the using
5 agency.

6 e. Upon approval of the certification, the using agency shall
7 notify the director as to the eligibility of the taxpayer for a tax
8 credit in the amount approved by the department and using agency.
9 The director, prior to issuing a tax credit certificate pursuant to this
10 section, may require the submission by the taxpayer of any
11 information the director deems necessary.

12 f. When filing a tax return that includes a claim for a credit
13 pursuant to this section, the taxpayer who received the credit shall
14 include a copy of the tax credit certificate issued by the director.

15 g. The order of priority of the application of the credit allowed
16 pursuant to this section and any other credits allowed against the tax
17 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for
18 a privilege period shall be as prescribed by the director. The
19 amount of the credit applied pursuant to this section against the tax
20 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5),
21 shall not reduce a taxpayer's tax liability for a privilege period to an
22 amount less than the statutory minimum provided in subsection (e)
23 of section 5 of P.L.1945, c.162 (C.54:10A-5). Any credit shall be
24 valid in the privilege period in which the tax credit certificate is
25 approved and any unused portion thereof may be carried forward
26 into the next seven privilege periods or until depleted, whichever is
27 earlier, after which the tax credit shall expire.

28 h. The total value of tax credits approved pursuant to
29 P.L. , c. (C.) (pending before the Legislature as this bill)
30 shall not in the aggregate exceed \$10 million in any year. The
31 director shall issue tax credit certificates pursuant to this section on
32 a first-come, first-serve basis, except that the director shall not issue
33 tax credit certificates to a single taxpayer pursuant to this section
34 and section 4 of P.L. , c. (C.) (pending before the
35 Legislature as this bill) in excess of \$1 million in any privilege
36 period. The director may issue a tax credit certificate to a taxpayer
37 that has previously been allowed a tax credit under this section.

38 i. A using agency shall, in its sole discretion, determine
39 whether to purchase or use low embodied concrete or concrete that
40 uses carbon capture, utilization, and storage technology in a
41 construction or improvement project. In preparing the
42 specifications for any contract for the purchase of 50 cubic yards or
43 more of concrete, or for any construction or improvement project
44 that requires the use of 50 cubic yards or more of concrete, the
45 procuring agency shall include in the invitation to bid, where
46 relevant, a statement that any response to the invitation that
47 proposes or calls for the use low embodied carbon concrete or
48 concrete that utilizes carbon capture, utilization, and storage

1 technology shall be eligible for a tax credit pursuant to subsection a.
2 of this section. ¹~~【If the】~~ For invitations to bid issued in the first
3 five years after the effective date of P.L. , c. (C.)
4 (pending before the Legislature as this bill), if a using¹ agency
5 makes a determination to purchase or use low embodied carbon
6 concrete or concrete that uses carbon capture, utilization, and
7 storage technology in the construction project, the ¹procuring
8 agency shall include in the invitation to bid a predetermined bid
9 allowance price for the concrete, which shall be used by all bidders
10 in the public bidding process.

11 j. Nothing in this section shall be construed to exempt any
12 entity from complying with any applicable law, rule, standard, or
13 specification, including, but not limited to, those regarding the use
14 of concrete in construction projects.

15 k. As used in this section:

16 "Carbon capture, utilization, and storage technology" means the
17 same as the term is defined in section 1 of P.L. , c. (C.)
18 (pending before the Legislature as this bill).

19 "Department" means the Department of Environmental
20 Protection.

21 "Director" means Director of the Division of Taxation in the
22 Department of the Treasury.

23 "Environmental product declaration" means a product-specific
24 Type III environmental product declaration that conforms to ISO
25 Standard 14025, assesses the numeric global warming potential of
26 the product, and allows for environmental impact comparisons
27 between concrete mixes fulfilling the same functions.

28 "Global warming potential" means the same as the term is
29 defined in section 1 of P.L. , c. (C.) (pending before the
30 Legislature as this bill).

31 "Low embodied carbon concrete" means the same as the term is
32 defined in section 1 of P.L. , c. (C.) (pending before the
33 Legislature as this bill).

34 "Procuring agency" means any State department, authority, or
35 commission having authority to contract for goods or services.

36 "Using agency" means any State department, authority, or
37 commission that makes a purchase, pursuant to a State contract, of
38 50 cubic yards or more of concrete or that enters into a contract for
39 a construction or improvement project that requires the use of 50
40 cubic yards or more of concrete.

41

42 3. a. (1) For privilege periods beginning on or after January 1
43 next following the effective date of P.L. , c. (C.) (pending
44 before the Legislature as this bill), a taxpayer that is a producer of
45 concrete, or a producer of a major component of concrete including
46 cement or aggregate, shall be allowed a credit against the tax
47 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) to
48 compensate the taxpayer for costs incurred as a result of conducting

1 an environmental product declaration analysis to determine the
2 global warming potential of the concrete or concrete component
3 produced at a production facility that the taxpayer owns or operates.

4 (2) The amount of the credit authorized pursuant to this section
5 shall not exceed the lesser of: (a) the full cost incurred for an
6 environmental product declaration analysis of a single concrete,
7 cement, aggregate, or related production facility, or (b) \$3,000. A
8 taxpayer may claim the credit authorized pursuant to this section for
9 the cost of completing environmental product declaration analyses
10 at up to eight production facilities owned or operated by the same
11 taxpayer in a single privilege period.

12 b. In order to receive the tax credit allowed pursuant to this
13 section, the taxpayer shall submit to the department for approval a
14 certification, in the form required by the department, that includes:
15 (1) the costs incurred to complete the environmental product
16 declaration; (2) the amount of the tax credit calculated pursuant to
17 subsection (2) of subsection a. of this section; (3) a copy of the
18 environmental product declaration; and (4) any other information
19 determined to be relevant by the department.

20 c. Upon approval of the certification, the department shall
21 notify the director as to the eligibility of the taxpayer for a tax
22 credit in the amount approved by the department. The director,
23 prior to issuing a tax credit certificate pursuant to this section, may
24 require the submission by the taxpayer of any information the
25 director deems necessary.

26 d. When filing a return that includes a claim for a credit
27 pursuant to this section, the taxpayer who received the credit shall
28 include a copy of the tax credit certificate.

29 e. The order of priority of the application of the tax credit
30 allowed pursuant to this section, and any other credits allowed
31 against the tax imposed pursuant to section 5 of P.L.1945, c.162
32 (C.54:10A-5) for a privilege period, shall be as prescribed by the
33 director. The amount of the credit applied pursuant to this section
34 against the tax imposed pursuant to section 5 of P.L.1945, c.162
35 (C.54:10A-5) shall not reduce a taxpayer's tax liability to an amount
36 less than the statutory minimum provided in subsection (e) of
37 section 5 of P.L.1945, c.162 (C.54:10A-5). The amount of the tax
38 credit otherwise allowable under this section which cannot be
39 applied for the privilege period due to the limitations of this
40 subsection or under other provisions of P.L.1945, c.162 (C.54:10A-
41 1 et seq.) may be carried forward for seven privilege periods
42 following the privilege period for which the tax credit certificate
43 was issued, after which the tax credit shall expire.

44 f. The total value of tax credits approved by the department, in
45 consultation with the director, pursuant to P.L. , c. (C.)
46 (pending before the Legislature as this bill) shall not in the
47 aggregate exceed \$10 million in any year. The director shall issue
48 tax credits pursuant to this section on a first-come, first-serve basis.

1 The director may issue a tax credit certificate to a taxpayer that has
2 previously been allowed a tax credit under this section. The
3 director, prior to issuing a tax credit certificate pursuant to this
4 section, may require the submission by the taxpayer of any
5 information the director deems necessary.

6 g. As used in this section:

7 "Concrete" means structural and non-structural masonry, and
8 pre-cast and ready-mix concrete building products.

9 "Department" means the Department of Environmental
10 Protection.

11 "Director" means Director of the Division of Taxation in the
12 Department of the Treasury.

13 "Environmental product declaration" means a product-specific
14 Type III environmental product declaration that conforms to ISO
15 Standard 14025, assesses the numeric global warming potential of
16 the product, and allows for environmental impact comparisons
17 between concrete mixes fulfilling the same functions.

18 "Global warming potential" means the same as the term is
19 defined in section 1 of P.L. , c. (C.) (pending before the
20 Legislature as this bill).

21

22 4. a. For taxable years beginning on or after January 1 next
23 following the effective date of P.L. , c. (C.) (pending
24 before the Legislature as this bill), a taxpayer that is a producer of
25 low embodied carbon concrete or concrete that utilizes carbon
26 capture, utilization, and storage technology and that meets the
27 requirements of this section shall be allowed a credit against the tax
28 otherwise due for the taxable year under the "New Jersey Gross
29 Income Tax Act," N.J.S.54A:1-1 et seq., in an amount as provided
30 in subsection c. of this section.

31 b. In order to qualify for a tax credit pursuant to subsection a.
32 of this section, a concrete producer shall:

33 (1) deliver, pursuant to a contract with a State procuring agency
34 or with a private contracting firm that has contracted with the State,
35 low embodied carbon concrete or concrete that incorporates carbon
36 capture, utilization, and storage technology, which concrete is used
37 by a construction or improvement project that requires the purchase
38 of 50 cubic yards or more of concrete; and

39 (2) submit to the department for review and approval a certified
40 environmental product declaration that provides a global warming
41 potential value for the delivered concrete.

42 c. (1) For the delivery of low embodied carbon concrete, a
43 taxpayer may be eligible for a tax credit calculated using the
44 formula provided by the department pursuant to section 3 of
45 P.L. , c. (C.) (pending before the Legislature as this bill),
46 not to exceed five percent of the costs of the low embodied concrete
47 delivered.

1 (2) For the delivery of concrete that incorporates carbon capture,
2 utilization, and storage technology, a taxpayer may be eligible for a
3 tax credit calculated using the formula provided by the department
4 pursuant to section 3 of P.L. , c. (C.) (pending before the
5 Legislature as this bill), not to exceed three percent of the costs of
6 the concrete delivered that incorporates carbon capture, utilization,
7 and storage technology.

8 (3) A taxpayer delivering concrete that is both low embodied
9 carbon concrete and concrete that incorporates carbon capture,
10 utilization, and storage technology may qualify for both tax credits
11 authorized pursuant to paragraphs (1) and (2) of this subsection, not
12 to exceed eight percent of the costs of the concrete delivered that is
13 low embodied carbon concrete that incorporates carbon capture,
14 utilization, and storage technology.

15 d. In order to receive the tax credit allowed pursuant to this
16 section, a taxpayer shall submit to the using agency a certification,
17 in a form provided by the department, that includes: (a) a statement
18 of the amount and cost of the low embodied carbon concrete or
19 concrete that incorporates carbon capture, utilization and storage
20 technology that was delivered in accordance with paragraph (1) of
21 subsection b. of this section, with appropriate supporting
22 documentation; (b) the environmental product declaration approved
23 by the department pursuant to paragraph (2) of subsection b. of this
24 section; (c) the amount of the tax credit calculated pursuant to
25 subsection c. of this section; (d) a copy of the contract pursuant to
26 which concrete was delivered; and (e) any other information as
27 determined relevant by the department or requested by the using
28 agency.

29 e. Upon approval of the certification, the using agency shall
30 notify the director as to the eligibility of the taxpayer for a tax
31 credit in the amount approved by the department and using agency.
32 The director, prior to issuing a tax credit certificate pursuant to this
33 section, may require the submission by the taxpayer of any
34 information the director deems necessary.

35 f. When filing a tax return that includes a claim for a credit
36 pursuant to this section, the taxpayer who received the credit shall
37 include a copy of the tax credit certificate issued by the director.

38 g. The order of priority of the application of the credit allowed
39 pursuant to this section and any other credits allowed against the tax
40 imposed pursuant the "New Jersey Gross Income Tax Act,"
41 N.J.S.54A:1-1 et seq., for a taxable year shall be as prescribed by
42 the director. The amount of the credit applied under this section
43 against the New Jersey gross income tax imposed pursuant to
44 N.J.S.54A:1-1 et seq. for a taxable year, when taken together with
45 any other payments, credits, deductions, and adjustments allowed
46 by law, shall not reduce a taxpayer's tax liability to an amount less
47 than zero. Any credit shall be valid in the taxable year in which the
48 tax credit certificate is approved and any unused portion thereof

1 may be carried forward into the next seven taxable years or until
2 depleted, whichever is earlier, after which the tax credit shall
3 expire.

4 h. The total value of tax credits approved pursuant to
5 P.L. , c. (C.) (pending before the Legislature as this bill)
6 shall not in the aggregate exceed \$10 million in any year. The
7 director shall issue tax credit certificates pursuant to this section on
8 a first-come, first-serve basis, except that the director shall not issue
9 tax credit certificates to a single taxpayer pursuant to this section
10 and section 2 of P.L. , c. (C.) (pending before the
11 Legislature as this bill) in excess of \$1 million in any taxable year.
12 The director may issue a tax credit certificate to a taxpayer that has
13 previously been allowed a tax credit under this section.

14 i. A using agency shall, in its sole discretion, determine
15 whether to purchase or use low embodied concrete or concrete that
16 uses carbon capture, utilization, and storage technology in a
17 construction or improvement project. In preparing the
18 specifications for any contract for the purchase of 50 cubic yards or
19 more of concrete, or for any construction or improvement project
20 that requires the use of 50 cubic yards or more of concrete, the
21 procuring agency shall include in the invitation to bid, where
22 relevant, a statement that any response to the invitation that
23 proposes or calls for the use low embodied carbon concrete or
24 concrete that utilizes carbon capture, utilization, and storage
25 technology shall be eligible for a tax credit pursuant to subsection a.
26 of this section. ¹["If the"] For invitations to bid issued in the first
27 five years after the effective date of P.L. , c. (C.)
28 (pending before the Legislature as this bill), if a using¹ agency
29 makes a determination to purchase or use low embodied carbon
30 concrete or concrete that uses carbon capture, utilization, and
31 storage technology in the construction project, the ¹procuring¹
32 agency shall include in the invitation to bid a predetermined bid
33 allowance price for the concrete, which shall be used by all bidders
34 in the public bidding process.

35 j. Nothing in this section shall be construed to exempt any
36 entity from complying with any applicable law, rule, standard, or
37 specification, including, but not limited to, those regarding the use
38 of concrete in construction projects.

39 k. As used in this section:

40 "Carbon capture, utilization, and storage technology" means the
41 same as the term is defined in section 1 of P.L. , c. (C.)
42 (pending before the Legislature as this bill).

43 "Department" means the Department of Environmental
44 Protection.

45 "Director" means Director of the Division of Taxation in the
46 Department of the Treasury.

47 "Environmental product declaration" means a product-specific
48 Type III environmental product declaration that conforms to ISO

1 Standard 14025, assesses the numeric global warming potential of
2 the product, and allows for environmental impact comparisons
3 between concrete mixes fulfilling the same functions.

4 "Global warming potential" means the same as the term is
5 defined in section 1 of P.L. , c. (C.) (pending before the
6 Legislature as this bill).

7 "Low embodied carbon concrete" means the same as the term is
8 defined in section 1 of P.L. , c. (C.) (pending before the
9 Legislature as this bill).

10 "Procuring agency" means any State department, authority, or
11 commission having authority to contract for goods or services.

12 "Using agency" means any State department, authority, or
13 commission that makes a purchase, pursuant to a State contract, of
14 50 cubic yards or more of concrete or that enters into a contract for
15 a construction or improvement project that requires the use of 50
16 cubic yards or more of concrete.

17
18 5. a. (1) For taxable years beginning on or after January 1 next
19 following the effective date of P.L. , c. (C.) (pending
20 before the Legislature as this bill), a taxpayer that is a producer of
21 concrete, or a producer of a major component of concrete including
22 cement or aggregate, shall be allowed a credit against the tax
23 otherwise due for the taxable year under the "New Jersey Gross
24 Income Tax Act," N.J.S.54A:1-1 et seq., to compensate the taxpayer
25 for costs incurred as a result of conducting an environmental
26 product declaration analysis to determine the global warming
27 potential of concrete or concrete component produced at a
28 production facility that the taxpayer owns or operates.

29 (2) The amount of the credit authorized pursuant to this section
30 shall not exceed the lesser of: (a) the full cost incurred for an
31 environmental product declaration analysis of a single concrete,
32 cement, aggregate, or related production facility, or (b) \$3,000. A
33 taxpayer may claim the credit authorized pursuant to this section for
34 the cost of completing environmental product declaration analyses
35 at up to eight production facilities owned or operated by the same
36 taxpayer in a single taxable year.

37 b. In order to receive the tax credit allowed pursuant to this
38 section, the taxpayer shall submit to the department for approval a
39 certification, in the form required by the department, that includes:
40 (1) the costs incurred to complete the environmental product
41 declaration; (2) the amount of the tax credit calculated pursuant to
42 subsection (2) of subsection a. of this section; (3) a copy of the
43 environmental product declaration; and (4) any other information
44 determined to be relevant by the department.

45 c. Upon approval of the certification, the department shall
46 notify the director as to the eligibility of the taxpayer for a tax
47 credit in the amount approved by the department. The director,
48 prior to issuing a tax credit certificate pursuant to this section, may

1 require the submission by the taxpayer of any information the
2 director deems necessary.

3 d. When filing a return that includes a claim for a credit
4 pursuant to this section, the taxpayer who received the credit shall
5 include a copy of the tax credit certificate.

6 e. The order of priority of the application of the tax credit
7 allowed pursuant to this section, and any other credits allowed
8 against the tax imposed pursuant to the "New Jersey Gross Income
9 Tax Act," N.J.S.54A:1-1 et seq., for a taxable year, shall be as
10 prescribed by the director. The amount of the credit applied under
11 this section against the New Jersey gross income tax imposed
12 pursuant to N.J.S.54A:1-1 et seq. for a taxable year, when taken
13 together with any other payments, credits, deductions, and
14 adjustments allowed by law, shall not reduce a taxpayer's tax
15 liability to an amount less than zero. The amount of the tax credit
16 otherwise allowable under this section which cannot be applied for
17 the taxable year due to the limitations of this subsection or under
18 other provisions of N.J.S.54A:1-1 et seq. may be carried forward
19 for seven taxable years following the taxable year for which the tax
20 credit certificate was issued, after which the tax credit shall expire.

21 f. The total value of tax credits approved by the department, in
22 consultation with the director, pursuant to P.L. , c. (C.)
23 (pending before the Legislature as this bill) shall not in the
24 aggregate exceed \$10 million in any year. The director shall issue
25 tax credits pursuant to this section on a first-come, first-serve basis.
26 The director may issue a tax credit certificate to a taxpayer that has
27 previously been allowed a tax credit under this section. The
28 director, prior to issuing a tax credit certificate pursuant to this
29 section, may require the submission by the taxpayer of any
30 information the director deems necessary.

31 g. As used in this section:

32 "Concrete" means structural and non-structural masonry, and
33 pre-cast and ready-mix concrete building products.

34 "Department" means the Department of Environmental
35 Protection.

36 "Director" means Director of the Division of Taxation in the
37 Department of the Treasury.

38 "Environmental product declaration" means a product-specific
39 Type III environmental product declaration that conforms to ISO
40 Standard 14025, assesses the numeric global warming potential of
41 the product, and allows for environmental impact comparisons
42 between concrete mixes fulfilling the same functions.

43 "Global warming potential" means the same as the term is
44 defined in section 1 of P.L. , c. (C.) (pending before the
45 Legislature as this bill).

46

47 6. The Director of the Division of Taxation in the Department
48 of the Treasury and the Department of Environmental Protection, in

1 consultation with each other, may adopt, pursuant to the
2 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
3 1 et seq.), such rules and regulations as may be necessary to
4 implement the provisions of P.L. , c. (C.) (pending before
5 the Legislature as this bill).

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7 7. This act shall take effect six months after the date of
8 enactment, and shall apply to privilege periods beginning on or
9 after the January 1 next following the effective date of the bill.