

STATE OF NEW YORK

4882

2025-2026 Regular Sessions

IN SENATE

February 13, 2025

Introduced by Sen. S. RYAN -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to geothermal energy systems tax credits

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

1 Section 1. Paragraphs 1 and 9 of subsection (g-4) of section 606 of
2 the tax law, as added by section 1 of part FF of chapter 59 of the laws
3 of 2022, are amended to read as follows:

4 (1) General. An individual taxpayer shall be allowed a credit against
5 the tax imposed by this article equal to twenty-five percent of quali-
6 fied geothermal energy system expenditures, except as provided in
7 subparagraph (D) of paragraph two of this subsection, not to exceed five
8 thousand dollars for qualified geothermal energy systems placed in
9 service before June thirtieth, two thousand twenty-five, and ten thou-
10 sand dollars for qualified geothermal energy equipment placed in service
11 on or after July first, two thousand twenty-five.

12 (9) Carryover of credit and refundability. If the amount of the cred-
13 it, and carryovers of such credit, allowable under this subsection for
14 any taxable year shall exceed the taxpayer's tax for such year, such
15 excess amount may be carried over to the five taxable years next follow-
16 ing the taxable year with respect to which the credit is allowed and may
17 be deducted from the taxpayer's tax for such year or years. For taxable
18 years beginning on or after January first, two thousand twenty-six, if
19 the amount of the credit allowable under this subsection shall exceed
20 the taxpayer's tax liability for such year, and the taxpayer meets the
21 definition of low-to-moderate income, as defined in subdivision (c) of
22 section nine hundred seventy-c of the general municipal law, or resides
23 in a disadvantaged community, as defined in subdivision five of section
24 75-0101 of the environmental conservation law, the excess shall be
25 treated as an overpayment of tax to be credited or refunded. Any refund

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

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1 paid pursuant to this paragraph shall be deemed to be a refund of an
2 overpayment of tax as provided in section six hundred eighty-six of this
3 article, provided, however, that no interest shall be paid thereon.

4 § 2. This act shall take effect immediately.