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:

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

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

(9) Carryover of credit **and refundability**. If the amount of the credit, and carryovers of such credit, allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, such excess amount may be carried over to the five taxable years next following the taxable year with respect to which the credit is allowed and may be deducted from the taxpayer's tax for such year or years. **For taxable years beginning on or after January first, two thousand twenty-six, if the amount of the credit allowable under this subsection shall exceed the taxpayer's tax liability for such year, and the taxpayer meets the definition of low-to-moderate income, as defined in subdivision (c) of section nine hundred seventy-c of the general municipal law, or resides in a disadvantaged community, as defined in subdivision five of section 75-0101 of the environmental conservation law, the excess shall be 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.

LBD03018-01-5

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

§ 2. This act shall take effect immediately.