



Instructions for Form IT-241

Claim for Clean Heating Fuel Credit

IT-241-I

General information

What is the clean heating fuel credit?

The clean heating fuel credit is available to taxpayers for the purchase of bioheating fuel that is used for space heating or hot water production for residential purposes within New York State. The credit is available for tax years beginning on or after January 1, 2006, and before January 1, 2020, and applies to bioheating fuel purchased on or after July 1, 2006, but before July 1, 2007, and on or after January 1, 2008, but before January 1, 2020.

Bioheating fuel purchased on or after January 1, 2017, must contain at least 6% biodiesel per gallon of bioheating fuel to qualify for the credit.

Bioheating fuel purchased on or after September 13, 2017, that is comprised of renewable hydrocarbon diesel blended with conventional home heating oil, may qualify for the credit.

The credit amount equals \$.01 per gallon for each percent of biodiesel included in the bioheating fuel, not to exceed \$.20 per gallon. To substantiate how the credit was computed, taxpayers should keep copies of all invoices or bills from the supplier(s) that include **all** of the following:

- date of purchase,
- number of gallons of bioheating fuel purchased, **and**
- the percentage of biodiesel included in the bioheating fuel.

Note: The percentage of biodiesel included in the bioheating fuel is the number or numbers preceded by the letter **B** in the bioheating fuel designation. For example, bioheating fuel designated **B10** contains 10% biodiesel.

The credit is claimed for the tax year in which the bioheating fuel is purchased. If the amount of the credit exceeds the taxpayer's tax for the year, the excess is treated as an overpayment of tax to be credited or refunded without interest.

Who is eligible to claim this credit?

- individuals,
- estates or trusts,
- partners in a partnership (including members of a limited liability company (LLC) that is treated as a partnership for federal income tax purposes),
- shareholders of a New York S corporation, **and**
- beneficiaries of an estate or trust.

How to claim the credit

File Form IT-241 if you are an individual, a partnership, or an estate or trust and you qualify for the credit. In addition, if you are a partner in a partnership (including members of an LLC treated as a partnership for federal tax purposes), a shareholder of a New York S corporation, or a beneficiary of an estate or trust, file Form IT-241 to claim your share of the credit from the entity.

An estate or trust that divides the credit among itself and its beneficiaries must submit Form IT-241 with Form IT-205, *Fiduciary Income Tax Return*, showing each beneficiary's share of the credit.

Partnerships must file Form IT-241 with Form IT-204, *Partnership Return*, showing the total amount of credit.

An S corporation does not file Form IT-241; it must file Form CT-241, *Claim for Clean Heating Fuel Credit*. If you are a shareholder in an S corporation that made the election under Tax Law section 660, obtain your share of the corporation's credit from the S corporation and report it on Form IT-241.

Definitions

Bioheating fuel is a fuel comprised of biodiesel or renewable hydrocarbon diesel blended with conventional home heating oil, which meets the specifications of the American Society for Testing and Materials (ASTM) designation D396 or D975.

Biodiesel is a fuel comprised exclusively of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, designated B100 (pure biodiesel), which meets the specifications of the ASTM designation D6751.

Renewable hydrocarbon diesel is a domestically-produced fuel derived from vegetable oils, animal fats, and other renewable feedstocks that meet the most recent specifications of the ASTM designation D975. Renewable hydrocarbon does not include any fuel from co-processed biomass with a feedstock that is not biomass.

Feedstock is soybean oil, oil from annual cover crops, algal oil, biogenic waste oils, fats or greases, or non-food grade corn oil, provided that the Commissioner of the New York State Department of Environmental Conservation (DEC) may, by rules and regulations, modify the definition of feedstock based on the vegetable oils, animal fats, or cellulosic biomass listed in the Code of Federal Regulations, Title 40, section 80.1426 (40 CFR 80.1426), table 1.

Heating oil is petroleum oil refined for the purpose of use as fuel for combustion in a space and/or water heating system that meets the specifications of the ASTM designation D396 or other specifications as determined by the Commissioner of the New York State DEC.

Residential purposes means any use of a structure, or part of a structure, as a place of abode maintained by or for a person, whether or not owned by the person, on other than a temporary or transient basis. This includes multi-family dwelling units such as multi-family homes, apartment buildings, condominiums, and cooperative apartments. The structure must be located in New York State.

Residential purposes do not include the part of a structure used as a hotel, motel, or similar space, except for those units used by the same occupant for at least 90 consecutive days.

Specific instructions

See the instructions for your tax return for the *Privacy notification* or if you need help contacting the Tax Department.

Individual (including sole proprietor) and partnership: Complete Parts 1 and 5.

A married couple in a business enterprise that made an IRC 761(f) election to file two federal Schedule C forms instead of a partnership return: If you file jointly, compute your credit amount as if you were filing one federal Schedule C for the business (enter the total of all applicable amounts from both federal Schedule C forms). Complete Parts 1 and 5.

Fiduciary: Complete Parts 1, 4, and 5.

Partner in a partnership, shareholder of a New York S corporation, and beneficiary of an estate or trust: Complete Parts 2, 3, and 5.

Note: If more than one of the above applies to you, complete all appropriate parts on one Form IT-241.

Part 1 – Individual (including sole proprietor), partnership, and estate or trust

Enter the information relating to each purchase of bioheating fuel used for space heating or hot water production for residential purposes within New York State made during the tax year in columns A through D. Use a separate line for each purchase of bioheating fuel. Include additional sheets if necessary.

Column A – Enter the date the bioheating fuel was purchased. If you purchased the bioheating fuel under a plan that requires prepayment to the supplier for a stipulated number of gallons of bioheating fuel at a fixed price, enter the date of the prepayment as the date of purchase. If you purchased the bioheating fuel through a budget payment plan where you make monthly payments to the supplier and the supplier deducts the amount of the sale from your account at the time of delivery, enter the date of delivery as the date of purchase.

Column B – Enter the gallons of bioheating fuel purchased on the date entered in column A.

If bioheating fuel is purchased for a premises (location) that has both residential and nonresidential space but has only one tank for the storage of bioheating fuel, the taxpayer must use the following formula to determine the percentage of the premises used for residential purposes to compute the credit properly.

$$\frac{\text{Square footage of residential areas (excluding common areas)}}{\text{Total square footage of premises (excluding common areas)}} = \% \text{ used for residential purposes (rounded to four decimal places)}$$

The percentage is then multiplied by the number of gallons of bioheating fuel purchased to determine the number of gallons eligible for the credit. For purposes of the formula, *common area* means any area on the premises used without distinction for both residential and nonresidential purposes.

Column C – Enter the percentage of biodiesel per gallon of bioheating fuel purchased as a decimal. This percentage will be listed on your receipt preceded by the letter *B*. For example, if **B10** is shown in the description of the bioheating fuel on your receipt, the bioheating fuel contains 10% biodiesel. In that case, you would enter **.10** in column C for that purchase. The amount entered cannot exceed .20.

Column D – Enter the amount of credit allowed for each purchase.

Example: *On February 1, 2017, you purchased 250 gallons of bioheating fuel to be used for residential heating purposes within New York State. The bioheating fuel contains 20% biodiesel (B20). The amount of credit allowed for this purchase is \$50 (250 x .20).*

Line 2 – If you are the only taxpayer who made the purchase of bioheating fuel for the premises, enter the line 2 amount on line 7.

If you shared in the purchase of bioheating fuel with one or more other taxpayers, prorate the amount of the credit allowable for each taxpayer according to the percentage of the total bioheating fuel purchased by each taxpayer. Enter only your share of the line 2 amount on line 7. Submit a statement with your return showing the name, address, and share of the credit allowable for each taxpayer. If you are filing a joint return, **do not** prorate the credit between you and your spouse.

Part 2 – Partnership, New York S corporation, estate, and trust information

Enter the appropriate information for each partnership, New York S corporation, estate, or trust from which you received a share of the credit. If you need more space, submit a separate sheet following the same format (be sure to include your name and taxpayer identification number).

Part 3 – Partner's, shareholder's, or beneficiary's share of credit

Enter your share of the credit received from a partnership, New York S corporation, estate, or trust on the appropriate line(s) in Part 3. You may obtain this information from the partnership, corporation, estate, or trust. If you belong to more than one partnership, New York S corporation, estate, or trust, enter the **total** of all your shares on the appropriate line.

Estate or trust: Include on line 5 only your share of the credit from another estate or trust.

Part 4 – Beneficiary's and fiduciary's share of credit

An estate or trust must complete Part 4. If an estate or trust allocates or assigns the credits to its beneficiaries, base the division on each beneficiary's proportionate share of the income of the estate or trust. Provide the beneficiaries with their share of the credit.

Part 5 – Computation of clean heating fuel credit

Complete lines 7, 8, and 9 (whichever apply to you).

Fiduciaries: Do not enter any amounts on lines 7 and 8.

Line 10 – Add lines 7, 8, and 9, and enter the total on line 10.

Partnerships: Enter the amount from line 10 and code **301** on Form IT-204, line 147.

All others: Enter the amount from line 10 and code **301** on Form IT-201-ATT, line 12, or Form IT-203-ATT, line 12, or include it on Form IT-205, line 33.

For additional information on the clean heating fuel credit, see TSB-M-08(1)I, *Clean Heating Fuel Credit*.