



Instructions for Form CT-241

Claim for Clean Heating Fuel Credit

CT-241-I

General information

The clean heating fuel credit is available to taxpayers for the purchase of *bioheating fuel* used for space heating or hot water production for *residential purposes* within New York State.

The bioheating fuel must contain at least 6% biodiesel per gallon. However, bioheating fuel that is comprised of *renewable hydrocarbon diesel* blended with conventional home *heating oil* may also qualify.

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

Credit calculation

The credit amount equals one cent per gallon for each percent of *biodiesel* included in the bioheating fuel not to exceed twenty cents per gallon.

In addition, the credit:

- is claimed in the tax year you purchased the qualifying bioheating fuel. If you do not use the full amount of the credit against your tax liability this year, you may request a refund or apply the overpayment to next year's tax. However, the Tax Department will not pay interest on the refund or overpayment.
- **cannot** be applied to the metropolitan transportation business tax (MTA surcharge).
- **cannot** reduce the tax due to less than the fixed dollar minimum amount.

To document your purchase, keep copies of all invoices or bills from your suppliers 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.

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 ASTM International 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 International 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 International 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 or water heating system that meets the specifications of the ASTM International 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 such 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.

Line instructions

Corporate partners

- Enter on line 2 your share of the clean heating fuel credits passed through from your partnership.
- Enter the name, employer identification number, and the share of the credit for each partnership in Part 3.

New York S corporations

Calculate the clean heating fuel credit even though the credit is passed through to the shareholders to use against their personal income tax liabilities on their New York State tax returns.

- Complete Part 1.
- Complete Part 3, if you are receiving a credit from a partnership.
- Include the line 3 amount on Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*.
- Provide all shareholders with the amount of their share of the clean heating fuel credit.
- Attach Form CT-241 to your Form CT-3-S.

The shareholders should file Form IT-241, *Claim for Clean Heating Fuel Credit*, to claim their share of the credit.

Combined filers

- Calculate the credit on a separate basis.
- Apply the credit against the combined tax.

Additional forms: If you have more entries than will fit on the lines provided in Part 1 or Part 3, submit additional Forms CT-241, completing only the necessary parts. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form CT-241 include the totals from all additional Forms CT-241. Place the extra forms behind the first Form CT-241 and submit them with your return.

Part 1: Computation of clean heating fuel credit

Use a separate line for each purchase of bioheating fuel.

Column A

Enter the date you purchased the bioheating fuel.

- 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 each date you entered in column A.

If you purchased bioheating fuel for a location that has both business and residential space but has only one tank for the storage and use of bioheating fuel, you must use the following steps to determine the percentage of space used for *residential purposes* to compute the credit properly.

1. Divide the square footage of residential areas by the total square footage (excluding *common areas** in both).
2. Round the result to four decimal places. This is the percentage used for residential purposes.
3. Multiply the percentage from Step 2 by the number of gallons of bioheating fuel you purchased to determine the number of gallons.
4. Enter the result in column B.

* *Common area* means any area on the premises used without distinction for both residential and nonresidential purposes.

Column C

Enter as a decimal the percentage of biodiesel per gallon of bioheating fuel you purchased. This percentage will be listed on your receipt preceded by the letter B.

Note: The amount you enter cannot exceed .20 (20%).

Example: *Your receipt shows B10 in the description of the bioheating fuel. Enter .10 in column C for that purchase.*

Column D

Enter the amount of credit allowed for each purchase.

Example: *On February 1, 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

Obtain this amount from each partnership allocating the credit to you. Complete Part 3, *Partnership information*, and mark an **X** in box A at the bottom of the form.

Part 2: Computation of clean heating fuel credit used, refunded, and credited as an overpayment to next year's tax

New York S corporations; **do not** complete this part.

Line 4

Enter the amount from Form CT-3 or Form CT-3-A, Part 2, line 2, **plus** any net recaptured tax credits.

Line 5

You must apply certain credits before the clean heating fuel credit. Refer to Form CT-600-I, *Instructions for Form CT-600*, for the proper ordering of your credits.

If you:

- are only claiming the clean heating fuel credit against the current year's tax, enter **0**.

- are claiming more than one credit, enter the total amount of credits applied against the current year's corporation franchise tax before the clean heating fuel credit.
- are included in a **combined return**, include the amount of any tax credits being claimed by other members of the combined group (including the clean heating fuel credit) that you want to apply before your clean heating fuel credit.

Line 7

Enter your fixed dollar minimum tax from Form CT-3 or the designated agent's fixed dollar minimum tax from Form CT-3-A.

Lines 9, 11, and 12

On line 9, enter the lesser of line 3 or line 8. Transfer the amounts from lines 9, 11, and 12 to your franchise tax return.
