



# Instructions for Form CT-241 Claim for Clean Heating Fuel Credit

## General information

Tax Law section 210-B.25 provides for a tax credit for the purchase of bioheating fuel used for space heating or hot water production for residential purposes within New York State. The credit is equal to one cent for each percent of biodiesel per gallon of bioheating fuel purchased before January 1, 2020. The amount of the credit may not exceed 20 cents per gallon.

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 amount of credit allowed cannot reduce the tax due to less than the fixed dollar minimum tax under Article 9-A. Any amount not used in the current tax year may be refunded or credited as an overpayment to next year's tax. No interest will be paid on the refund. The credit is **not** allowed against the metropolitan transportation business tax (MTA surcharge) under Article 9-A.

Attach documentation showing the date of the purchase, the amount, and the percent of biodiesel in the bioheating fuel purchased by you and claimed on this form. The credit must be claimed for the tax year in which the bioheating fuel is purchased, regardless of when the bioheating fuel is used.

## 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, 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 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. For purposes of the clean heating fuel credit, the structure must be located in New York State.

## Corporate partners

If you are a corporate partner, enter on line 2 any pro rata share of the clean heating fuel credits passed through to you from the partnership. Also enter the name, employer identification number, and the share of the credit for each partnership in Part 3.

## New York S corporations

New York S corporations will calculate a clean heating fuel credit, however the S corporation may not use the credit against its own tax liability. Instead the credit is passed through to the shareholders to use against their personal income tax liabilities on their New York State tax returns. New York S corporations complete only Part 1. Include the line 3 amount on Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, which is filed with your New York State corporation tax return. Attach a copy of Form CT-241 to your Form CT-3-S. Provide all shareholders with the amount of their pro rata share of the clean heating fuel credit calculated. The shareholders will file Form IT-241, *Claim for Clean Heating Fuel Credit*, to claim the credit on their New York State personal income tax returns.

## Combined filers

A taxpayer filing as a member of a combined group is allowed to claim the clean heating fuel credit. The clean heating fuel credit is computed on a separate basis, but is applied against the combined tax.

## Line instructions

**Part 1** – Use a separate line for each purchase of bioheating fuel. Attach 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 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 payment (budget) 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. Attach documentation showing the number of gallons purchased and the percentage of biodiesel for each gallon purchased.

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

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

For purposes of the formula:

- Hotels, motels, and similar locations may claim as residential square footage only those units used by the same occupant for more than 90 consecutive days.
- *Common area* means any area at the premises used without distinction for both residential and business purposes.

To determine the number of gallons eligible for the credit, multiply the percentage by the number of gallons of bioheating fuel purchased.

**Column C** – Enter the percentage of biodiesel per gallon of bioheating fuel purchased. 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. If the receipt showed B20, the bioheating fuel is 20% biodiesel and you would enter **.2** in column C. The amount entered cannot exceed 20% (.2).

**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 the partnership(s) allocating this credit to you. Also complete Part 3.

## Part 2

**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 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. If the clean heating fuel credit is the only credit you are applying against the current year's tax, enter **0**. If you are included in a combined return, include any amount of tax credit(s), including the clean heating fuel credit, that you wish 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.

## Need help? and Privacy notification

See Form CT-1, *Supplement to Corporation Tax Instructions*.

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