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119TH CONGRESS
1ST SESSION

H. R. 6873

To amend the Internal Revenue Code of 1986 to allow amortization of geological and geophysical expenditures in connection with the exploration for, or development of, geothermal deposits, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2025

Ms. MALOY (for herself, Mr. GARAMENDI, Mr. MOORE of Utah, Mr. FULCHER, and Mr. HORSFORD) introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to allow amortization of geological and geophysical expenditures in connection with the exploration for, or development of, geothermal deposits, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Geothermal Tax Parity Act’’.

SEC. 2. AMORTIZATION OF GEOLOGICAL AND GEOPHYSICAL EXPENDITURES IN CONNECTION WITH EXPLORATION FOR OR DEVELOPMENT OF GEOTHERMAL DEPOSITS.

(a) IN GENERAL.—Section 167(h)(1) of the Internal Revenue Code of 1986 is amended by striking ‘‘oil or gas’’ and inserting ‘‘oil, gas, or geothermal deposits’’.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred in taxable years beginning after the date of the enactment of this Act.

SEC. 3. EXCEPTION TO PASSIVE LOSS LIMITATIONS FOR WORKING INTERESTS IN GEOTHERMAL PROPERTIES.

(a) IN GENERAL.—Section 469(c)(3) of the Internal Revenue Code of 1986 is amended—

(1) in the paragraph heading, by striking ‘‘OIL AND GAS’’ and inserting ‘‘OIL, GAS, AND GEOTHERMAL’’, and

(2) by striking ‘‘oil or gas’’ each place it appears and inserting ‘‘oil, gas, or geothermal’’ in each such place.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

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