



## THE GEOTHERMAL TAX PARITY ACT OF 2025 (H.R. 6873)

Date Introduced: December 18, 2025

### WHAT:

H.R. 6873 – The Geothermal Tax Parity Act would extend two existing oil and gas tax provisions to geothermal energy, ensuring fair tax treatment for similar subsurface energy activities.

This bill would accomplish two objectives:

- Apply the IRC 469(c)(3) passive loss exemption to geothermal, ensuring investors have the option to deduct geothermal project losses against other income.
- Extend IRC 167(h) two-year amortization of geological and geophysical exploration costs to geothermal projects, spurring interest and de-risking early phase development.

Both provisions reduce early-stage financial risk by improving cash flow and after-tax returns.

### WHY IT MATTERS:

Next-generation geothermal technologies are on the cusp of technological innovation and commercial scale adoption. Offering a unique source of clean and firm dispatchable energy, geothermal is a secure source of domestic energy poised to meet the nation's growing energy demand.

Geothermal technologies could unlock the ability to produce electricity from the Earth's heat almost anywhere in the country, dramatically expanding domestic clean energy supply. The U.S. is uniquely positioned to lead this emerging sector due to its oil and gas workforce, subsurface engineering expertise, and abundant geologic and hydrothermal resources.

By extending existing oil and gas tax incentives to geothermal, Congress can:

- Unlock private investment in next-generation clean firm power;
- Strengthen U.S. energy security through domestic energy production;
- Improve grid reliability as electricity demand rises from advanced manufacturing, AI, data centers and electrification; and
- Leverage workforce and technology synergies between oil and gas and geothermal.

This bipartisan legislation aligns tax policy with national priorities for energy security, reliability and competitiveness.

**WHAT'S NEXT:**

If enacted, the bill would harmonize geothermal energy's tax credits with those of the oil and gas industry. The bill maintains strong bipartisan and industry support, coalescing commonsense fiscal policy with American innovation to ensure we remain at the forefront of energy technology development.

**ORIGINAL SPONSOR:**

Rep. Celeste Maloy (R-UT)

**CO-SPONSORS:**

Reps. Blake Moore (R-UT), Steven Horsford (D-NV), John Garamendi (D-CA), Russ Fulcher (R-ID)

**SUPPORT:**

ClearPath Action, Geothermal Rising, Fervo, Zanskar, Bipartisan Policy Center, the U.S. Oil and Gas Association, Greenfire Energy, Quaise Energy, Citizens for Responsible Energy Solutions and Eavor.

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