

HOUSE BILL NO. 216

INTRODUCED BY F. WILMER, ERICKSON, HANDS, OLSON, PHILLIPS, POMNICHOWSKI, REINHART,
STAHL, VAN DYK

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE INDIVIDUAL INCOME TAX CREDIT FOR
ALTERNATIVE ENERGY SYSTEMS AND ENERGY-CONSERVING EXPENDITURES; CLARIFYING THAT
CERTAIN ALTERNATIVE ENERGY SYSTEMS MUST MEET CERTAIN SAFETY AND RELIABILITY
REQUIREMENTS TO QUALIFY FOR THE CREDIT; PROVIDING A 3-YEAR CARRYFORWARD FOR UNUSED
ENERGY-CONSERVING EXPENDITURE TAX CREDITS; AMENDING SECTIONS 15-32-201 AND 15-32-109,
MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-32-201, MCA, is amended to read:

"15-32-201. Amount of credit -- to whom available. (1) (A) A SUBJECT TO SUBSECTION (1)(B), A resident individual taxpayer who completes installation of an energy system using a recognized nonfossil form of energy generation, as defined in 15-32-102, in the taxpayer's principal dwelling ~~after December 31, 2001,~~ is entitled to claim a tax credit in an amount equal to the cost of the system, including installation costs, less grants received, not to exceed ~~\$500~~ \$1,000, against the income tax liability imposed against the taxpayer pursuant to chapter 30.

(B) IF THE TAXPAYER'S ENERGY SYSTEM IS A NET METERING SYSTEM, THE SYSTEM MUST COMPLY WITH THE PROVISIONS OF 69-8-604 TO QUALIFY FOR THE CREDIT UNDER SUBSECTION (1)(A) OF THIS SECTION.

(2) A resident individual taxpayer who completes installation of an energy system using a low-emission wood or biomass combustion device, as defined in 15-32-102, in the taxpayer's principal dwelling ~~after December 31, 2001,~~ is entitled to claim a tax credit in an amount equal to the cost of the system, including the installation costs, not to exceed \$500, against the income tax liability imposed against the taxpayer pursuant to ~~Title 15,~~ chapter 30."

Section 2. Section 15-32-109, MCA, is amended to read:

"15-32-109. Credit for energy-conserving expenditures. (1) Subject to the restrictions of subsection (2), a resident individual taxpayer may take a credit against the taxpayer's tax liability under chapter 30 for 25%

1 of the taxpayer's expenditure for a capital investment in the physical attributes of a building or the installation of
2 a water, heating, or cooling system in the building, so long as either type of investment is for an energy
3 conservation purpose, in an amount not to exceed ~~\$500~~ \$1,000.

4 (2) The credit under subsection (1):

5 ~~—— (a) may not exceed the taxpayer's tax liability; and~~

6 ~~—— (b) is subject to the provisions of 15-32-104.~~

7 (3) If the amount of the tax credit exceeds the taxpayer's income tax liability for the tax year, the amount
8 that exceeds the tax liability may be carried forward for taxes imposed in the next 3 succeeding tax years."

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10 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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12 NEW SECTION. **Section 4. Retroactive applicability.** [This act] applies retroactively, within the
13 meaning of 1-2-109, to tax years beginning after December 31, 2006.

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