

HOUSE BILL NO. 614

INTRODUCED BY M. MILLER

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE CRITERIA FOR ENERGY CONSERVATION OR
5 ALTERNATIVE ENERGY INCOME TAX DEDUCTIONS AND TAX CREDITS; SPECIFYING THAT THE
6 DEPARTMENT OF REVENUE MAY NOT ADOPT RULES WITH HIGHER STANDARDS THAN RULES
7 GOVERNING SIMILAR FEDERAL TAX DEDUCTIONS OR CREDITS; REMOVING THE LIMITATION THAT AN
8 OWNER MUST BE A RESIDENT OF THE STATE TO USE THE ENERGY-CONSERVING TAX CREDIT;
9 AMENDING SECTIONS 15-32-105 AND 15-32-109, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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13 **Section 1.** Section 15-32-105, MCA, is amended to read:

14 **"15-32-105. Application to new construction -- rules.** (1) It is the intent of the legislature that no
15 deduction or credit under this part be allowed for capital investment for an energy conservation practice in the
16 new construction of a building if that capital investment would have been made under established standards of
17 new construction.

18 ~~(2) The department of revenue shall adopt rules to implement this legislative intent part. Such~~ The rules
19 ~~shall must~~ shall must be based on the best currently available methods of analysis, including those of the national bureau
20 of standards, the department of housing and urban development, and other federal agencies and professional
21 societies and materials developed by the department. If the federal government has established
22 industry-recognized standards relating to federal energy conservation for federal tax purposes, the rules adopted
23 by the department may not require that those standards be exceeded. ~~Provisions shall be made for an annual~~
24 ~~updating of~~ The department shall review and update the rules and standards as required.

25 ~~(2)(3)~~ (3) The department may adopt rules to define standard components of conventional buildings and
26 to establish other necessary elements of the definition of passive solar system consistent with ~~the intent of~~
27 15-32-102."

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

30 **"15-32-109. Credit for energy-conserving expenditures.** (1) Subject to the restrictions of subsection

1 (2), ~~a resident~~ an individual taxpayer may take a credit against the taxpayer's tax liability under chapter 30 for
2 25% of the taxpayer's expenditure for a capital investment in the physical attributes of a building located within
3 the state or the installation of a water, heating, or cooling system in the building, ~~so long as either type of~~ if the
4 investment is for an energy conservation purpose, in an amount not to exceed \$500.

- 5 (2) The credit under subsection (1):
6 (a) may not exceed the taxpayer's tax liability; and
7 (b) is subject to the provisions of 15-32-104."
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9 NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 2011.

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