

HOUSE BILL NO. 233
INTRODUCED BY K. WAITSCHIES

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE TAX CREDIT FOR THE INSTALLATION OF A GEOTHERMAL SYSTEM BY REMOVING AN ERRONEOUS INTERNAL REFERENCE; AMENDING SECTION 15-32-115, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 15-32-115, MCA, is amended to read:

"15-32-115. Credit for geothermal system -- to whom available -- eligible costs -- limitations. (1)

A resident individual taxpayer who completes installation of a geothermal system, as defined in 15-32-102, in the taxpayer's principal dwelling is entitled to claim a tax credit, ~~as provided in subsection (3),~~ against the taxpayer's tax liability under chapter 30 for a portion of the installation costs of the system, not to exceed \$1,500. The amount of the credit not used in the year in which the installation is made may be carried forward against taxes imposed under chapter 30 for the 7 succeeding tax years. The entire amount of the credit not used in the year that it was earned must be carried first to the earliest tax year in which the credit may be applied and then to each succeeding tax year.

(2) For the purposes of this section, installation costs include the cost of:

- (a) trenching, well drilling, casing, and downhole heat exchangers;
- (b) piping, control devices, and pumps that move heat from the earth to heat or cool the building;
- (c) ground source or ground coupled heat pumps;
- (d) liquid-to-air heat exchanger, ductwork, and fans installed with a ground heat well that pump heat from a well into a building; and
- (e) design and labor."

NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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