

SENATE BILL NO. 210
INTRODUCED BY J. LASLOVICH

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE TAX DEDUCTION AVAILABLE TO TAXPAYERS FOR ENERGY-CONSERVATION INVESTMENTS; INCREASING THE INDIVIDUAL INCOME TAX CREDIT FOR ENERGY-CONSERVING EXPENDITURES; PROVIDING A TAX CREDIT FOR SMALL-BUSINESS CORPORATIONS AND FOR TAXPAYERS WITH A FAMILY INCOME OF LESS THAN OR EQUAL TO 150 PERCENT OF THE FEDERAL POVERTY LEVEL; PROVIDING A 3-YEAR CARRYFORWARD FOR UNUSED ENERGY-CONSERVING EXPENDITURE TAX CREDITS; AMENDING SECTIONS 15-32-103 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 15-32-103, MCA, is amended to read:

"15-32-103. Deduction for energy-conserving investments. (1) In addition to all other deductions from gross corporate income allowed in computing net income under chapter 31, part 1, a taxpayer may deduct a portion of ~~his~~ the taxpayer's expenditure for a capital investment in a building for an energy conservation purpose, in accordance with the following schedule:

<p>If the installation or investment is made in a residential building:</p> <p>100% of first \$1,000 expended</p> <p><u>75% of next \$1,000 expended</u></p> <p>50% of next \$1,000 expended</p> <p>20% of next \$1,000 expended</p> <p>10% of next \$1,000 expended</p>	<p>If the installation or investment is made in a building not used as a residence:</p> <p>100% of first \$2,000 expended</p> <p><u>75% of next \$2,000 expended</u></p> <p>50% of next \$2,000 expended</p> <p>20% of next \$2,000 expended</p> <p>10% of next \$2,000 expended</p>
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(2) This tax treatment is subject to approval of the department, as provided in 15-32-106, and may not be claimed for ~~so much~~ the portion of the expenditure and capital investment ~~as that~~ is financed by a state, federal, or private grant for energy conservation."

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)~~ subsections (4) and (5), a resident individual taxpayer may take a credit against the taxpayer's tax liability under chapter 30 for ~~25%~~ 75% of the taxpayer's expenditure for a capital investment in the physical attributes of a building or the installation of a water, ~~lighting, space heating, or cooling system or of major appliances~~ in the building, ~~so as long as either type of investment is~~ the investments are for an energy conservation purpose, in an amount not to exceed ~~\$500~~ \$5,000.

(2) Subject to the restrictions of subsections (4) and (5), a resident individual taxpayer with a family income of less than or equal to 150% of the federal poverty level may take a credit against the taxpayer's tax liability under chapter 30 for 100% of the taxpayer's expenditure for a capital investment in the physical attributes of a building or the installation of a water, lighting, space heating, or cooling system or of major appliances in the building as long as the investments are for an energy conservation purpose, in an amount not to exceed \$5,000.

(3) Subject to the restrictions of subsections (4) and (5), a small-business corporation, as defined in 15-30-1101, may take a credit against the taxpayer's tax liability under chapter 30 for 75% of the taxpayer's expenditure for a capital investment in the physical attributes of a building or the installation of a water, lighting, refrigeration, space heating, or cooling system or of major appliances in the building as long as the investments are for an energy conservation purpose, in an amount not to exceed \$10,000.

(4) A taxpayer's expenditure may not be claimed for credit under more than one status.

~~(2)(5)~~ The credit credits under subsection subsections (1):

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

~~— (b) is through (3) are~~ subject to the provisions of 15-32-104.

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

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

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

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