



AN ACT REVISING THE INCOME TAX CREDIT FOR ALTERNATIVE ENERGY GENERATION; EXTENDING THE AVAILABILITY OF THE INCOME TAX CREDIT FOR INVESTMENT INCOME RELATED TO A COMMERCIAL SYSTEM THAT GENERATES ENERGY THROUGH A HYDROELECTRIC SOURCE THAT PRODUCES 1 MEGAWATT OR MORE WHEN INSTALLED ON DAMS THAT DO NOT PRODUCE POWER; AMENDING SECTION 15-32-402, 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 15-32-402, MCA, is amended to read:

"15-32-402. Commercial or net metering system investment credit -- alternative energy systems.

(1) An individual, corporation, partnership, or small business corporation as defined in 15-30-3301 that makes an investment of \$5,000 or more in property that is depreciable under the Internal Revenue Code for a commercial system or a net metering system, as defined in 69-8-103, that is located in Montana, and that generates energy by means of an alternative renewable energy source, ~~as defined in 15-6-225~~, is entitled to a tax credit against taxes imposed by 15-30-2103 or 15-31-121 in an amount equal to 35% of the eligible costs, to be taken as a credit only against taxes due as a consequence of taxable or net income produced by one of the following:

- (a) manufacturing plants located in Montana that produce alternative energy generating equipment;
- (b) a new business facility or the expanded portion of an existing business facility for which the alternative energy generating equipment supplies, on a direct contract sales basis, the basic energy needed; or
- (c) the alternative energy generating equipment in which the investment for which a credit is being claimed was made.

(2) For purposes of determining the amount of the tax credit that may be claimed under subsection (1), eligible costs include only those expenditures that are associated with the purchase, installation, or upgrading of:

(a) generating equipment;

(b) safety devices and storage components;

(c) transmission lines necessary to connect with existing transmission facilities; and

(d) transmission lines necessary to connect directly to the purchaser of the electricity when no other transmission facilities are available.

(3) Eligible costs under subsection (2) must be reduced by the amount of any grants provided by the state or federal government for the system.

(4) For the purposes of this section, "alternative renewable energy source" has the meaning provided in 15-6-225 but also includes hydroelectric generators that produce 1 megawatt or more and are installed on dams that otherwise do not produce power."

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

Section 3. Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to tax years beginning after December 31, 2018.

- END -

I hereby certify that the within bill,
SB 0337, originated in the Senate.

President of the Senate

Signed this _____ day
of _____, 2019.

Secretary of the Senate

Speaker of the House

Signed this _____ day
of _____, 2019.

SENATE BILL NO. 337

INTRODUCED BY J. WELBORN, J. COHENOUR

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