60th Legislature

1	SENATE BILL NO. 210
2	INTRODUCED BY LASLOVICH, BRUEGGEMAN, ESSMANN, GEBHARDT, HARRINGTON, KAUFMANN
3	LEWIS, LIND, SMITH, STEINBEISSER, NOONAN
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5	A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE TAX DEDUCTION AVAILABLE TO TAXPAYERS
6	FOR ENERGY-CONSERVATION INVESTMENTS; INCREASING THE INDIVIDUAL INCOME TAX CREDIT FOR
7	ENERGY-CONSERVING EXPENDITURES; PROVIDING A TAX CREDIT FOR SMALL-BUSINESS
8	CORPORATIONS LIMITED LIABILITY PARTNERSHIPS, S. CORPORATIONS, OR OTHER DISREGARDED
9	ENTITIES AND FOR TAXPAYERS WITH A FAMILY INCOME OF LESS THAN OR EQUAL TO 150 PERCENT
10	OF THE FEDERAL POVERTY LEVEL CERTAIN INCOME LEVELS; PROVIDING A 3-YEAR CARRYFORWARD
11	REFUND FOR UNUSED ENERGY-CONSERVING EXPENDITURE TAX CREDITS; AMENDING SECTIONS
12	15-32-103 AND <u>SECTION</u> 15-32-109, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND, A
13	RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE."
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15	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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16 17	Section 1. Section 15-32-103, MCA, is amended to read:
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17 18	"15-32-103. Deduction for energy-conserving investments. (1) In addition to all other deductions from
17 18 19	"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
17 18 19 20	"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 <u>the taxpayer's</u> expenditure for a capital investment in a building for an energy conservation purpose,
17 18 19 20 21	"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 <u>the taxpayer's</u> expenditure for a capital investment in a building for an energy conservation purpose, in accordance with the following schedule:
17 18 19 20 21 22	"15-32-103. Deduction for energy-conserving investments. (1) In addition to all other deductions fromgross corporate income allowed in computing net income under chapter 31, part 1, a taxpayer may deduct aportion of his the taxpayer's expenditure for a capital investment in a building for an energy conservation purpose,in accordance with the following schedule:If the installation or investment
 17 18 19 20 21 22 23 	"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: If the installation or investment If the installation or investment is made is made in a residential building: in a building not used as a residence:
 17 18 19 20 21 22 23 24 	"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: If the installation or investment If the installation or investment is made is made in a residential building: in a building not used as a residence: 100% of first \$1,000 expended 100% of first \$2,000 expended
 17 18 19 20 21 22 23 24 25 	"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: If the installation or investment If the installation or investment is made is made in a residential building: in a building not used as a residence: 100% of first \$1,000 expended 100% of first \$2,000 expended 75% of next \$1,000 expended 75% of next \$2,000 expended
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Legislative Services Division

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Section 1. Section 15-32-109, MCA, is amended to read:

federal, or private grant for energy conservation."

"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% 25% 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
<u>appliances</u> 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 \$800.

10 (2) (A) Subject to the restrictions of subsections (4) and (5), a resident individual taxpayer with a family 11 income of less than or equal to 150% of the federal poverty level THE AMOUNT ESTABLISHED IN SUBSECTION (2)(B) 12 may take a credit against the taxpayer's tax liability under chapter 30 for 100% 25% of the taxpayer's expenditure 13 for a capital investment in the physical attributes of a building or the installation of a water, lighting, space heating, 14 or cooling system or of major appliances in the building as long as the investments are for an energy conservation 15 purpose, in an amount not to exceed \$5,000 \$800. 16 (B) TO BE ELIGIBLE FOR THE CREDIT ALLOWED BY THIS SUBSECTION (2), A SINGLE TAXPAYER MAY NOT HAVE A 17 MONTANA ADJUSTED GROSS INCOME IN EXCESS OF \$11,280 AND MARRIED COUPLES FILING JOINTLY OR SEPARATELY ON 18 THE SAME FORM MAY NOT HAVE A MONTANA ADJUSTED GROSS INCOME IN EXCESS OF \$14,590. THE DEPARTMENT, BY

19 <u>NOVEMBER 1, OF EACH YEAR, SHALL MULTIPLY THE INCOME AMOUNTS IN THIS SUBSECTION (2)(B) BY THE INFLATION</u> 20 FACTOR FOR THAT YEAR AND ROUND THE PRODUCT TO THE NEAREST \$10. THE RESULTING ADJUSTED INCOME IS

21 <u>EFFECTIVE FOR THAT TAX YEAR AND MUST BE USED IN DETERMINING THE ELIGIBILITY FOR THE CREDIT ALLOWED BY THIS</u>
 22 SUBSECTION (2).

- (3) Subject to the restrictions of subsections (4) and (5), a small-business corporation, as defined in
 45-30-1101, LIMITED LIABILITY PARTNERSHIP, S. CORPORATION, OR OTHER DISREGARDED ENTITY may take a credit
 against the taxpayer's tax liability under chapter 30 for 75% 25% of the taxpayer's expenditure for a capital
 investment in the physical attributes of a RESIDENTIAL RENTAL 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 \$800.
- (4) A taxpayer's expenditure may not be claimed for credit under more than one status SUBSECTION (1),
 (2), OR (3) BUT MAY BE CLAIMED UNDER ONLY ONE OF THOSE SUBSECTIONS.



1	(2)(5) The credit <u>credits</u> under subsection <u>subsections</u> (1) :
2	(a) may not exceed the taxpayer's tax liability; and
3	(b) is through (3) are subject to the provisions of 15-32-104.
4	(6) THE CREDITS UNDER SUBSECTIONS (1) AND (3) MAY NOT EXCEED THE TAXPAYER'S TAX LIABILITY. If the
5	amount of the tax credit UNDER SUBSECTION (2) exceeds the taxpayer's income tax liability for the tax year, the
6	amount that exceeds the tax liability may be carried forward for taxes imposed in the next 3 succeeding tax years.
7	OF THE EXCESS MUST BE REFUNDED TO THE TAXPAYER. THE CREDIT MAY BE CLAIMED EVEN IF THE CLAIMANT HAS NO
8	TAXABLE INCOME.
9	(7) IF THE TAXPAYER IS AN S. CORPORATION, THE SHAREHOLDERS MAY CLAIM A PRO RATA SHARE OF THE TAX
10	CREDIT. IF THE TAXPAYER IS A PARTNERSHIP OR DISREGARDED ENTITY, THE CREDIT MAY BE CLAIMED BY THE PARTNERS
11	OR MEMBERS IN THE SAME PROPORTION USED TO REPORT THE PARTNERSHIP'S OR ENTITY'S INCOME OR LOSS FOR
12	MONTANA INCOME TAX PURPOSES."
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14	NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.
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16	NEW SECTION. Section 3. Retroactive applicability. [This act] applies retroactively, within the
17	meaning of 1-2-109, to tax years beginning after December 31, 2006.
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19	NEW SECTION. Section 4. Termination. [This act] terminates January 1, 2010.
20	- END -

