

SENATE BILL NO. 210

INTRODUCED BY LASLOVICH, BRUEGGEMAN, ESSMANN, GEBHARDT, HARRINGTON, KAUFMANN
LEWIS, LIND, SMITH, STEINBEISSER, NOONAN

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 LIMITED LIABILITY PARTNERSHIPS, S. CORPORATIONS, OR OTHER DISREGARDED
ENTITIES AND FOR TAXPAYERS WITH A FAMILY INCOME OF LESS THAN OR EQUAL TO 150 PERCENT
OF THE FEDERAL POVERTY LEVEL CERTAIN INCOME LEVELS; PROVIDING A 3-YEAR CARRYFORWARD
REFUND FOR UNUSED ENERGY-CONSERVING EXPENDITURE TAX CREDITS; AMENDING SECTIONS
15-32-103 AND SECTION 15-32-109, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A
RETROACTIVE APPLICABILITY DATE, AND A TERMINATION 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:

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
<u>75% of next \$1,000 expended</u>	_____	<u>75% of next \$2,000 expended</u>
50% of next \$1,000 expended	_____	50% of next \$2,000 expended
20% of next \$1,000 expended	_____	20% of next \$2,000 expended
10% of next \$1,000 expended	_____	10% of next \$2,000 expended

(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,



1 federal, or private grant for energy conservation."

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

4 **"15-32-109. Credit for energy-conserving expenditures.** (1) Subject to the restrictions of subsection
5 ~~(2)~~ subsections (4) and (5), a resident individual taxpayer may take a credit against the taxpayer's tax liability
6 under chapter 30 for ~~25%~~ ~~75%~~ 25% of the taxpayer's expenditure for a capital investment in the physical
7 attributes of a building or the installation of a water, lighting, space heating, or cooling system ~~or of major~~
8 appliances in the building, ~~so~~ as long as ~~either type of investment is~~ the investments are for an energy
9 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 NOVEMBER 1, OF EACH YEAR, SHALL MULTIPLY THE INCOME AMOUNTS IN THIS SUBSECTION (2)(B) BY THE INFLATION
20 FACTOR FOR THAT YEAR AND ROUND THE PRODUCT TO THE NEAREST \$10. THE RESULTING ADJUSTED INCOME IS
21 EFFECTIVE FOR THAT TAX YEAR AND MUST BE USED IN DETERMINING THE ELIGIBILITY FOR THE CREDIT ALLOWED BY THIS
22 SUBSECTION (2).

23 (3) Subject to the restrictions of subsections (4) and (5), a ~~small-business corporation, as defined in~~
24 15-30-1101, LIMITED LIABILITY PARTNERSHIP, S. CORPORATION, OR OTHER DISREGARDED ENTITY may take a credit
25 against the taxpayer's tax liability under chapter 30 for 75% 25% of the taxpayer's expenditure for a capital
26 investment in the physical attributes of a RESIDENTIAL RENTAL building or the installation of a water, lighting,
27 refrigeration, space heating, or cooling system ~~or of major appliances~~ in the building as long as the investments
28 are for an energy conservation purpose, in an amount not to exceed ~~\$10,000~~ \$800.

29 (4) A taxpayer's expenditure may not be claimed for credit under more than one status SUBSECTION (1),
30 (2), OR (3) BUT MAY BE CLAIMED UNDER ONLY ONE OF THOSE SUBSECTIONS.

