



2005 Alternative Energy System

15-32-201, MCA

MONTANA
ENRG-B
Rev. 12-05

Your first name and initial	Last name	Your social security number
Spouse's first name and initial	Last name	Social security number

Complete lines 1 through 4 if you are claiming an alternative energy system credit or carryforward.

1. Enter here the physical address of your home where the alternative energy system is installed.	
2. Enter here the date the installation of your alternative energy system was completed.	
3. Enter here the brand name and model number of the alternative energy system that you installed.	
4. Enter here the type of alternative energy system that you installed. For example: solar system, wind system, solid waste system, wood-burning stove, etc.	

RECOGNIZED NONFOSSIL FORM OF ENERGY GENERATION: Complete lines 5 through 8 if you installed an alternative energy system in tax year 2005 that uses a recognized nonfossil form of energy generation. See the general instructions for the definition of a recognized nonfossil form of energy generation.

5. Enter the cost of the alternative energy system installed, including your installation cost	5.	
6. Enter the amount of any grants that you received for the installation of your alternative energy system	6.	
7. Subtract line 6 from line 5 and enter the result here	7.	
8. Enter the smaller of line 7 or \$500 here. This is your alternative energy system credit using a recognized nonfossil form of energy generation. Enter here and on Form 2A, Schedule V, line 16	8.	

Complete lines 9 through 11 only if you are carrying forward your unused alternative energy system credit from a prior year. Your credit may be carried forward up to four years.

9. Enter the amount of your alternative energy system credit originally allowed. This amount cannot be greater than \$500	9.	
10. Enter the amount of your alternative energy system credit that you claimed in previous years	10.	
11. Subtract line 10 from line 9 and enter the result here and on Form 2A, Schedule V, line 16. This is your alternative energy system credit for 2005	11.	

LOW EMISSION WOOD OR BIOMASS COMBUSTION DEVICE: Complete lines 12 and 13 if you installed an alternative energy system in tax year 2005 using a low emission wood or biomass combustion device. See the general instructions for the definition of a low emission wood or biomass combustion device.

12. Enter the cost of the alternative energy system installed, including your installation cost ...	12.	
13. Enter the smaller of line 12 or \$500 here. This is your alternative energy system credit using a low emission wood or biomass combustion device. Enter here and on Form 2A, Schedule V, line 16	13.	

Complete lines 14 through 16 only if you are carrying forward your unused alternative energy system credit from a prior year. Your credit may be carried forward up to four years.

14. Enter the amount of our alternative energy system originally allowed. This cannot be greater than \$500	14.	
15. Enter the amount of your alternative energy system credit that you claimed in previous years	15.	
16. Subtract line 15 from line 14 and enter the result here and on Form 2A, Schedule V, line 16. This is your unused alternative energy system credit for 2005	16.	

When you file your Montana income tax return electronically, you represent that you have retained all documents required as a tax record and that you will provide a copy to the department upon request.

General Instructions

What is a recognized nonfossil form of energy generation?

A recognized nonfossil form of energy generation means:

- a system that captures energy or converts energy sources into usable sources, including electricity, by using:
 - solar energy, including passive solar systems;
 - wind;
 - solid waste;
 - the decomposition of organic waste;
 - geothermal;
 - fuel cells that do not require hydrocarbon fuel; or
- a system that produces electric power from biomass or solid wood wastes; or
- a small system that uses water power by means of an impoundment that is not over 20 acres in surface area.

What is a low-emission wood or biomass combustion device?

A low-emission wood or biomass combustion device means a wood-burning appliance that:

- is certified by the U.S. environmental protection agency pursuant to 40 CFR 60.533; or
- uses wood pellets as its primary source of fuel.

Who qualifies for the alternative energy system credit?

The alternative energy systems credit is available only to a Montana resident individual who installs a recognized nonfossil form of energy generation such as a wind generating system or installs a low-emission wood or biomass combustion device such as a wood or pellet burning stove in his or her principal dwelling or home. This credit is not available to a nonresident individual.

I have installed a wood burning stove, which is one type of an alternative energy system, in my principal home this year but I am unable to claim the full amount of my alternative energy system credit because my

income tax liability is less than \$500. Can I carry my unused credit forward to 2006?

Yes. This credit is considered a nonrefundable carryover credit in which you can carry forward any unused portion of your alternative energy system credit for 4 succeeding tax years.

Complete lines 9, 10, and 11 to determine the amount of alternative energy system credit that can be carried forward when you have installed a system using a recognized nonfossil form of energy. Your total credit reported in the year of installation and in subsequent years cannot exceed the maximum credit of \$500.

Complete lines 14, 15, and 16 to determine the amount of alternative energy system credit that can be carried forward when you have installed a system using low emission wood or a biomass combustion device. Your total credit reported in the year of installation and in subsequent years cannot exceed the maximum credit of \$500.

My spouse and I both own our primary home. Can we both qualify for the alternative energy system credit?

Yes you can but the credit is limited to \$500 for the installation of any one alternative energy type system in your principal home. You may allocate the credit between you and your spouse in any manner you choose.

I made repairs to my alternative energy system this year. Am I entitled to claim this credit for the cost of my repairs?

No. Repairs to your existing alternative energy system are not installation costs that entitle you to an additional alternative energy system credit.

For example: In 2005, you replaced damaged solar panels that were installed in your principal home in 2003 and at which time you claimed an alternative energy system credit of \$500. You are not entitled to an additional \$500 credit for the repairs and replacement of parts to your existing solar system.

Questions? Please call us at (406) 444-6900 or TDD (406) 444-2830 for the hearing impaired.