



# Recycle Credit/Deduction

15-32-602 and 15-32-610, MCA

Attach to your return

**MONTANA**  
RCYL-CT  
Rev. 10-02

Credits available to certain individuals, corporations, partnerships and small business corporations

**Note:** This form is to be used only for Montana Corporation License Tax.

Name as shown on Form CLT-4:

FEIN:

Business Name if different from above:

Check one:  C Corporation  
 S Corporation

Part I

	Yes	No
1. Was the qualifying machinery/equipment purchased on or after the first day of the current taxable year and before the last day of the current taxable year?.....	<input type="checkbox"/>	<input type="checkbox"/>
If you answer no to question #1, <b>stop here</b> , you do not qualify.		
2. Is the machinery/equipment used in Montana primarily for collecting or processing reclaimable material?.....	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the machinery/equipment used in Montana primarily to manufacture finished products from reclaimed materials?.....	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the machinery/equipment used to treat soil contaminated by hazardous wastes?.....	<input type="checkbox"/>	<input type="checkbox"/>
NOTE: #4 can only be claimed on machinery/equipment used to treat soil contaminated by hazardous wastes for tax years beginning and to depreciable property purchased after December 31, 1995. (15-32-603, MCA)		
5. Was the machinery/equipment located and operating in Montana on the last day of the taxable year for which the credit is claimed?.....	<input type="checkbox"/>	<input type="checkbox"/>
If you answer no to questions #2, #3, and #4 or no to question #5, do not complete this form, you do not qualify for the credit.		

Part II - For Equipment Used in Montana

- Type & purpose of equipment \_\_\_\_\_
- Date of Purchase \_\_\_\_\_ (Please provide copy of sales receipt)
- Cost of Equipment (The total cost of equipment in Part II and Part III may not exceed \$1,000,000).....\$ \_\_\_\_\_
- Computation of Credit (multiply the cost of the equipment by the following percentages):

Multiply the first \$250,000 by 25%	_____
Multiply the next \$250,000 by 15%	_____
Multiply the next \$500,000 by 5%	_____
Total Credit.....	\$ _____

Part III - For qualifying specialized mobile equipment used in and out of Montana

- Type & purpose of equipment \_\_\_\_\_
- Date of Purchase \_\_\_\_\_ (Please provide copy of sales receipt)
- Cost of Equipment (The total cost of equipment in Part II and Part III may not exceed \$1,000,000).....\$ \_\_\_\_\_
- Number of days used in Montana \_\_\_\_\_
- Total days used for the year \_\_\_\_\_
- Divide amount on Line 8 by amount on Line 9. \_\_\_\_\_ %
- Computation of Credit:

Multiply the ratio on line 10 by 25% then multiply the first \$250,000 of line 7	_____
Multiply the ratio on line 10 by 15% then multiply the next \$250,000 of line 7	_____
Multiply the ratio on line 10 by 5% then multiply the next \$500,000 of line 7	_____
Total Credit.....	\$ _____
- Total Credit Available (Amount from Part II, Line 4 and/or Part III, Line 11) Enter this amount on Schedule C, Line 7, Form CLT-4.....\$ \_\_\_\_\_

Part IV - Additional deduction for purchase of recycled materials

- Type of recycled material purchased \_\_\_\_\_
- Cost of recycled material.....\$ \_\_\_\_\_
- Multiply the amount on line 2 by 10% (.10) and enter the results here. This is the amount of your additional deduction. Enter on Line 3c, Form CLT-4.....\$ \_\_\_\_\_

Amount of Credit May Not Exceed Tax Liability

## Definitions

“Collect” is the collection and delivery of reclaimable materials to a recycling or reclaimable materials processing facility.

“Machinery or Equipment” is property having a depreciable life of more than one year whose primary purpose is to collect or process reclaimable material, or to manufacture a product from reclaimed material; or is depreciable property used to treat soil contaminated by hazardous wastes.

“Reclaimable Material” is (i) material that has useful physical or chemical properties after serving a specific purpose and that is normally disposed of as solid waste, as defined in 75-10-203 of the Montana Code Annotated (MCA), by a consumer, processor or manufacturer; or (ii) soil that has been contaminated by hazardous wastes to the extent that treatment of those wastes is required as defined in 75-10-403, MCA.

“Recycled Material” is a substance that is produced from reclaimed material as provided in 15-32-609, MCA and defined under the Administrative Rules of Montana (ARM), §42.15.507.

Reclaimed material collected, processed or used to manufacture a product may not be an industrial waste generated by the person claiming the tax credit unless:

- the person generating the waste historically has disposed of the waste onsite or in a licensed landfill; and
- standard industrial practice has not generally included the reuse of the waste in the manufacturing process.

The tax credit is available only for the acquisition of machinery and/or equipment that is depreciable (Defined in IRS Code Section 167). The machinery and/or equipment must be used in Montana primarily for the collection or processing of reclaimable material or in the manufacture of finished products from reclaimed material or to treat soils contaminated by hazardous wastes. The credit only applies to property that actually treats contaminated soil and not to auxiliary property.

Absent a specific agreement to the contrary, the owners of a small business corporation must pro-rate the credit using the shareholder's pro rata share of the corporation's cost of the equipment.

The credit is limited to the amount of the taxpayer's corporation tax liability. Any excess credit is not refundable, nor can it be carried back or forward to other years.