



Alternative Energy Systems Credit

15-32-115 and 15-32-201, MCA
Instructions on back

Name _____ Social Security Number _____

Address of installation (if not the same as on Form 2) _____

Geothermal Energy System

15-32-115, MCA

(For a system installed prior to January 1, 2002, see instructions for credit limitations and carryover provisions)

Date installation was completed in your home _____

Description of installation (brand and model) _____

- 1. Cost of system including installation 1. _____
- 2. Amount of grants received 2. _____
- 3. Subtract line 2 from line 1 3. _____
- 4. Enter the smaller of line 3 or \$1,500
Enter this amount on Form 2A, Schedule II (limited to your tax liability) 4. _____
- 5. Total credit claimed in prior years 5. _____

Excess credit may be carried forward seven years

Alternative Energy System

(Using a Recognized Nonfossil Form of Energy Generation)

15-32-201(1), MCA

Date installation was completed in your home _____

Description of installation (wind, solar energy, etc) _____

- 6. Cost of system including installation 6. _____
- 7. Amount of grants received 7. _____
- 8. Subtract line 7 from line 6 8. _____
- 9. Enter the smaller of line 8 or \$500
Enter the amount on Form 2A, Schedule II (limited to your tax liability) 9. _____

Excess credit may be carried forward four years

Alternative Energy System

(Low Emission Wood or Biomass Combustion Device)

15-32-201(2), MCA

Date installation was completed in your home _____

Description of installation (type, brand and model) _____

- 10. Cost of system including installation 10. _____
- 11. Enter the smaller of line 10 or \$500
Enter this amount on Form 2A, Schedule II (limited to your tax liability) 11. _____

Excess credit may be carried forward four years

If you are claiming more than one alternative energy systems credit, enter the total of lines 4, 9 and 11 on Form 2A, Schedule II (limited to your tax liability.)

Attach this form to your tax return. If you electronically file, keep this form for your records (do not send to the Department of Revenue).

Alternative Energy Systems Credit – General Instructions

The credit(s) from Form ENRG-B is allowed only to Montana residents who complete installation of an alternative energy system in their principal dwelling. The credit(s) must be claimed against the taxpayer's liability for the year the energy system was acquired and placed in service. If the amount of the tax credit(s) exceeds your income tax liability for the year, the excess is carried over to the next succeeding tax year or years until the total credit(s) is absorbed.

Geothermal Energy System Credit

For installations prior to January 1, 2002, the carryover tax credit available is \$250 per year for four years from the date of installation. Line 4 cannot be greater than \$250. For installations after December 31, 2001, an individual may take a credit against their individual income tax liability not to exceed \$1,500. Any excess credit not claimed in the year of installation may be carried over seven succeeding tax years.

“Geothermal system” means a system that transfers energy either from the ground, by way of a closed loop, or from ground water, by way of an open loop, for the purpose of heating or cooling a residential building. A qualifying system shall transfer energy either from the ground, ground water or surface water. It should also have a heat pump utilizing a refrigerant cycle. If the system does not contain a heat pump, utilizing a refrigerant cycle, the “energy conservation purpose” of the system must be explained.

For the purpose of the Geothermal Energy System Credit installation cost include the cost of a) trenching, well drilling, casing and downhole heat exchangers; b) piping, control devices, and pumps that move heat from the earth to heat or cool the building; c) ground source or ground coupled heat pumps; d) liquid-to-air heat exchanger, ductwork, and fans installed with a ground heat well that pump heat from a well into a building; and e) design and labor.

Alternative Energy System Credit

The tax credit for installing an alternative energy system using a “recognized nonfossil form of energy generation” or a “low emission wood or biomass combustion device” is available in the year of installation and may be carried forward four succeeding tax years.

“Recognized nonfossil forms 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,
- decomposition of organic wastes,
- geothermal,
- fuel cells that do not require hydrocarbon fuel, or
- an “alternative energy system” which is a system or equipment used to convert energy sources into usable sources using fuel cells that do not require hydrocarbon fuel, geothermal systems, low emission wood or biomass, wind, photovoltaics, geothermal, small hydropower plants under one megawatt, and other recognized nonfossil forms of energy generation,
- 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.

“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 that uses wood pellets as its primary source of fuel.