

HOUSE BILL 216

IN THE HOUSE

January 17, 1979	Introduced and referred to Committee on Natural Resources.
January 23, 1979	Rereferred to Committee on Taxation.
March 27, 1979	Committee recommend bill, do pass. Second reading, do not pass.

1 *House* BILL NO. *216* *Magnus*
 2 INTRODUCED BY *Vincent McBride, Corey Hennings*
 3 *Falanga, McIntyre*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCLUDE WOODBURNING
 5 STOVES IN THE DEFINITION OF RECOGNIZED NONFOSSIL FORMS OF
 6 ENERGY GENERATION, MAKING THEIR INSTALLATION ELIGIBLE FOR A
 7 TAX CREDIT; AMENDING SECTION 15-32-102, MCA; AND PROVIDING
 8 AN EFFECTIVE DATE."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 11 Section 1. Section 15-32-102, MCA, is amended to read:
 12 "15-32-102. Definitions. As used in this part the
 13 following definitions apply:

14 (1) "Building" means a single or multiple dwelling,
 15 including a mobile home, or a building used for commercial,
 16 industrial, or agricultural purposes, which is enclosed with
 17 walls and a roof.

18 (2) "Capital investment" means any material or
 19 equipment purchased and installed in a building or land with
 20 or without improvements.

21 (3) "Energy conservation purpose" means one or more of
 22 the following results of an investment: reducing the waste
 23 or dissipation of energy or reducing the amount of energy
 24 required to accomplish a given quantity of work.

25 (4) "Recognized nonfossil forms of energy generation"

1 means a system for:
 2 (a) the utilization of solar heat, wind, solid wastes,
 3 or the decomposition of organic wastes for capturing energy
 4 or converting energy sources into usable sources;
 5 (b) for the production of electric power from solid
 6 wood wastes;
 7 (c) the production of heat from wood in a woodburning
 8 stove meeting reasonable standards of efficiency adopted by
 9 the department of revenue; and
 10 (d) ~~also--means--a--small--system--for~~ the utilization of
 11 water power by means of an impoundment not over 20 acres in
 12 surface area."
 13 Section 2. Effective date. This act is effective for
 14 taxable years beginning after December 31, 1978.

-End-

STATE OF MONTANA

REQUEST NO. 97-79
~~108-79~~

FISCAL NOTE

Form BD-15

In compliance with a written request received January 24, 19 79, there is hereby submitted a Fiscal Note for House Bill 216 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

This proposed bill includes woodburning stoves in the definition of recognized nonfossil forms of energy generation, making their installation eligible for a tax credit and provides an effective date.

ASSUMPTIONS

- 1) There would be 3,000 wood stoves purchased by FY80 and 4,000 in FY81.
- 2) The average cost of the stove, including stovepipe, will be \$800.
- 3) The Department of Revenue projections of \$154.268 M in FY80 and \$169.790 M in FY81 are correct.

FISCAL IMPACT

	<u>FY 80</u>	<u>FY 81</u>
Individual Income Tax Collections		
under current law	\$154.268 M	\$169.790 M
under proposed law	154.148 M	169.630 M
Estimated Decrease	<u>(\$.120 M)</u>	<u>(\$.160 M)</u>

FUND INFORMATION

General Fund		
under current law	\$ 98.732 M	\$108.666 M
under proposed law	98.655 M	108.564 M
Estimated Decrease	<u>(\$.077 M)</u>	<u>(\$.102 M)</u>
Earmarked Revenue Fund (School Foundation Program)		
under current law	\$ 38.567 M	\$ 42.447 M
under proposed law	38.537 M	42.407 M
Estimated Decrease	<u>(\$.030 M)</u>	<u>(\$.040 M)</u>
Sinking Fund		
under current law	\$ 16.969 M	\$ 18.677 M
under proposed law	16.956 M	18.659 M
Estimated Decrease	<u>(\$.013 M)</u>	<u>(\$.018 M)</u>

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Richard L. Drury for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/20/79

STATE OF MONTANA

REQUEST NO. 108-79

FISCAL NOTE

Form RD 15

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LONG-RANGE EFFECT

As wood stoves become increasingly more popular and expensive the fiscal impact of this proposal should increase in the long run.

TECHNICAL NOTE

The Department of Revenue would be in the position of approving every application, regardless of efficiency, because there are no published efficiency ratings of the various wood stoves on the market. The only information would be the literature furnished by the manufacturers. The department auditors are not trained in the area of interpreting efficiency standards and as a consequence would have to take either the manufacturer's or applicant's word.

PREPARED BY DEPARTMENT OF REVENUE

BUDGET DIRECTOR

Office of Budget and Program Planning

Date:
