

SENATE BILL 173

IN THE SENATE

January 19, 1979	Introduced and referred to Committee on Taxation.
January 22, 1979	Fiscal note requested.
January 26, 1979	Fiscal note returned.
March 26, 1979	On motion, Bill be taken from Committee on Taxation and printed and placed on second reading. Motion failed.
April 20, 1979	Died in Committee.

1 for a tax credit substantially similar in kind (not in
2 amount), then a tax credit in an amount equal to 5% of the
3 first \$1,000 and 2 1/2% of the next \$3,000 of the cost of
4 such system, including installation costs, less grants
5 received against the income tax liability imposed against
6 such taxpayer pursuant to chapter 30.

7 121. A taxpayer, including a corporation, who completes
8 installation of an energy system using a recognized
9 nonfossil form of energy generation, as defined in
10 15-32-102, upon real property located within this state
11 prior to December 31, 1982, which real property is either
12 used in a trade or business or held for the production of
13 income, or who acquires title to real property located
14 within this state prior to December 31, 1982, which real
15 property is used in a trade or business or held for the
16 production of income and is equipped with an energy system
17 for which the credit allowed by this section has never been
18 claimed, is entitled to claim an income tax credit or in the
19 case of a corporation a license tax credit or income tax
20 credit in an amount equal to 10% of the first \$3,000 and 5%
21 of the next \$9,000 of the cost of the the energy system,
22 including installation costs, less grants received, or if
23 the federal government provides for a tax credit
24 substantially similar in kind (not in amount), then an
25 income tax credit in an amount equal to 5% of the first

1 \$3,000 and 2 1/2% of the next \$9,000 of the cost of the
2 energy system, including installation costs, less grants
3 received, against the tax liability imposed against such
4 taxpayer pursuant to chapter 30 or in the case of a
5 corporation, pursuant to chapter 31a."

6 Section 2. Effective date. This act is effective on
7 passage and approval and its provisions apply to all taxable
8 years commencing after December 31, 1978.

-End-

STATE OF MONTANA

REQUEST NO. 73-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 22, 1979, there is hereby submitted a Fiscal Note in Senate Bill 173 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 extends the tax credit for installing alternative energy systems to installations by a taxpayer, including a corporation, upon real property located in the state and used in a trade or business or held for the production of income and provides an effective date.

ASSUMPTIONS

- 1) There will be 25 alternative energy systems installed by commercial entities for both FY80 and FY81.
- 2) The average cost of each system will be \$3000.
- 3) The tax credit will be distributed between the corporation license tax and the income tax.

FISCAL IMPACT

Corporation License Tax and Income Tax	<u>FY 80</u>	<u>FY 81</u>
under current law	\$189,268,000	\$204,790,000
under proposed law	<u>189,264,250</u>	<u>204,786,250</u>
Estimated Decrease	<u>(\$ 3,750)</u>	<u>(\$ 3,750)</u>

UND INFORMATION

General Fund		
under current law	\$121,131,520	\$131,065,600
under proposed law	<u>121,129,120</u>	<u>131,063,200</u>
Estimated Decrease	<u>(\$ 2,400)</u>	<u>(\$ 2,400)</u>

Unmarked Revenue School Foundation Program		
under current law	\$ 47,317,000	\$ 51,197,500
under proposed law	<u>47,316,062</u>	<u>51,196,562</u>
Estimated Decrease	<u>(\$ 938)</u>	<u>(\$ 938)</u>

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

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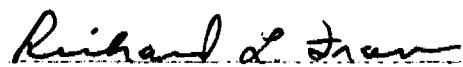
FUND INFORMATION

	FY 80	FY 81
Sinking Fund*		
under current law	\$ 20,819,480	\$ 22,526,900
under proposed law	20,819,068	22,526,488
Estimated Decrease	<u>(\$ 412)</u>	<u>(\$ 412)</u>

*A portion of this amount may be transferred to the general fund as long-range bond excess.

It should be noted that revenues to the indicated Earmarked Revenue Account are used to support the Public School Foundation Program. Therefore, any decrease in income to that account may necessitate additional support from other sources.

PREPARED BY DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/26/79