

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 Senate BILL NO. 173
2 INTRODUCED BY Rasmussen Hag or Bob Brown

O'Hara

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
5 15-32-201, MCA, TO EXTEND THE TAX CREDIT FOR INSTALLING
6 ALTERNATIVE ENERGY SYSTEMS TO INSTALLATIONS BY A TAXPAYER,
7 INCLUDING A CORPORATION, UPON REAL PROPERTY LOCATED IN THE
8 STATE AND USED IN A TRADE OR BUSINESS OR HELD FOR THE
9 PRODUCTION OF INCOME; PROVIDING AN EFFECTIVE DATE."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 15-32-201, MCA, is amended to read:

13 "15-32-201. Amount of credit -- to whom available.

14 (1) A resident individual taxpayer who completes
15 installation of an energy system using a recognized
16 nonfossil form of energy generation, as defined in
17 15-32-102, in such taxpayer's principal dwelling prior to
18 December 31, 1982, or who acquires title to a dwelling prior
19 to December 31, 1982, which dwelling is to be used as the
20 taxpayer's principal dwelling and is equipped with an energy
21 system for which the credit allowed by this part has never
22 been claimed, is entitled to claim a tax credit in an amount
23 equal to 10% of the first \$1,000 and 5% of the next \$3,000
24 of the cost of such system, including installation costs,
25 less grants received or, if the federal government provides

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 (2) 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

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INTRODUCED BILL

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 31."

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, 19 79, there is hereby submitted a Fiscal Note for 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

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

FISCAL IMPACT

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

FUND INFORMATION

General Fund		
under current law	\$121,131,520	\$131,065,600
under proposed law	121,129,120	131,063,200
Estimated Decrease	(<u>\$ 2,400</u>)	(<u>\$ 2,400</u>)
Unappropriated Revenue (School Foundation Program)		
under current law	\$ 47,317,000	\$ 51,197,500
under proposed law	47,316,062	51,196,562
Estimated Decrease	(<u>\$ 938</u>)	(<u>\$ 938</u>)

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

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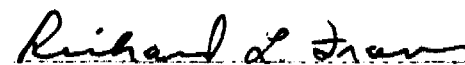
FUND INFORMATION

	<u>FY 80</u>	<u>FY 81</u>
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