

SENATE BILL NO. 243

INTRODUCED BY KEATING, COBB, JACOBSON,  
SIMON, GAGE, JERGESON, BRADLEY

BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE

IN THE SENATE

JANUARY 26, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON NATURAL RESOURCES.
	FIRST READING.
FEBRUARY 8, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 9, 1989	PRINTING REPORT.
FEBRUARY 10, 1989	SECOND READING, DO PASS.
FEBRUARY 11, 1989	ENGROSSING REPORT.
FEBRUARY 13, 1989	THIRD READING, PASSED. AYES, 49; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 20, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON NATURAL RESOURCES.
	FIRST READING.
MARCH 4, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 6, 1989	SECOND READING, CONCURRED IN.
MARCH 7, 1989	THIRD READING, CONCURRED IN. AYES, 94; NOES, 0.
	RETURNED TO SENATE.

MARCH 8, 1989

IN THE SENATE

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *State* BILL NO. *243*  
 2 INTRODUCED BY *Senator Cobb* *Forced Law*  
 3 BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE *Jerguson*  
 4 *Bradley*

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE THE  
 6 REQUIREMENT THAT THE DEPARTMENT OF REVENUE PROVIDE  
 7 APPLICATION FORMS FOR APPROVING ENERGY-CONSERVING INVESTMENT  
 8 DEDUCTIONS AND CREDITS; AND AMENDING SECTIONS 15-32-103 AND  
 9 15-32-106, MCA."

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

12 **Section 1.** Section 15-32-103, MCA, is amended to read:

13 "15-32-103. Deduction for energy-conserving  
 14 investments. (1) In addition to all other deductions from  
 15 gross corporate income allowed in computing net income under  
 16 chapter 31, part 1, a taxpayer may deduct a portion of his  
 17 expenditure for a capital investment in a building for an  
 18 energy conservation purpose, in accordance with the  
 19 following schedule:

20 If the installation or	If the installation or
21 investment is made in a	investment is made in a
22 residential building:	building not used as a
23	residence:
24 100% of first \$1,000 expended	100% of first \$2,000 expended
25 50% of next \$1,000 expended	50% of next \$2,000 expended

1 20% of next \$1,000 expended 20% of next \$2,000 expended  
 2 10% of next \$1,000 expended 10% of next \$2,000 expended  
 3 (2) This tax treatment is subject to approval of the  
 4 department of--an--application as provided in 15-32-106 and  
 5 may not be claimed for so much of the expenditure and  
 6 capital investment as is financed by a state, federal, or  
 7 private grant for energy conservation."

8 **Section 2.** Section 15-32-106, MCA, is amended to read:

9 "15-32-106. Procedure for obtaining benefit of  
 10 deduction or credit. ~~The department of revenue shall provide~~  
 11 ~~forms on which a taxpayer may apply for tax treatment under~~  
 12 ~~15-32-103 or 15-32-109. Application shall be made to the~~  
 13 ~~department of revenue.~~ The department of revenue shall  
 14 approve an application a deduction or credit under 15-32-103  
 15 or 15-32-109 which demonstrably promotes energy conservation  
 16 or utilizes a recognized nonfossil form of energy  
 17 generation. The department of revenue may refer ~~an~~  
 18 application a deduction or credit involving energy  
 19 generation to the department of natural resources and  
 20 conservation for its advice, and the department of natural  
 21 resources and conservation shall respond within 60 days. The  
 22 department of revenue may refer ~~an application a deduction~~  
 23 or credit involving energy conservation to the department of  
 24 administration for its advice, and the department of  
 25 administration shall respond within 60 days. The department

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1 of revenue may deny ~~an-application~~ a deduction or credit  
2 which it finds to be impractical or ineffective."

3 NEW SECTION. **Section 3.** Extension of authority. Any  
4 existing authority to make rules on the subject of the  
5 provisions of [this act] is extended to the provisions of  
6 [this act].

-End-

APPROVED BY COMM. ON  
NATURAL RESOURCES

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REQUIREMENT THAT THE DEPARTMENT OF REVENUE PROVIDE  
APPLICATION FORMS FOR APPROVING ENERGY-CONSERVING INVESTMENT  
DEDUCTIONS AND CREDITS; AND AMENDING SECTIONS 15-32-103 AND  
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gross corporate income allowed in computing net income under  
chapter 31, part 1, a taxpayer may deduct a portion of his  
expenditure for a capital investment in a building for an  
energy conservation purpose, in accordance with the  
following schedule:

If the installation or	If the installation or
investment is made in a	investment is made in a
residential building;	building not used as a
	residence:
100% of first \$1,000 expended	100% of first \$2,000 expended

50% of next \$1,000 expended	50% of next \$2,000 expended
20% of next \$1,000 expended	20% of next \$2,000 expended
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(2) This tax treatment is subject to approval of the  
department of--an--application as provided in 15-32-106 and  
may not be claimed for so much of the expenditure and  
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private grant for energy conservation."

**Section 2.** Section 15-32-106, MCA, is amended to read:

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~~forms--on--which--a--taxpayer--may--apply--for--tax--treatment--under~~  
~~15-32-103--or--15-32-109--Application--shall--be--made--to--the~~  
~~department--of--revenue.~~ THE DEPARTMENT OF REVENUE SHALL  
PROVIDE FORMS ON WHICH A TAXPAYER MAY APPLY FOR A TAX CREDIT  
UNDER 15-32-109. The department of revenue shall approve an  
application a deduction or credit under 15-32-103 or  
15-32-109 which demonstrably promotes energy conservation or  
utilizes a recognized nonfossil form of energy generation.  
The department of revenue may refer an--application a  
deduction or credit involving energy generation to the  
department of natural resources and conservation for its  
advice, and the department of natural resources and  
conservation shall respond within 60 days. The department of  
revenue may refer an--application a deduction or credit

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1 involving energy conservation to the department of  
2 administration for its advice, and the department of  
3 administration shall respond within 60 days. The department  
4 of revenue may deny an application a deduction or credit  
5 which it finds to be impractical or ineffective."

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If the installation or investment is made in a residential building:	If the installation or investment is made in a building not used as a residence:
100% of first \$1,000 expended	100% of first \$2,000 expended

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(2) This tax treatment is subject to approval of the department of--an--application as provided in 15-32-106 and may not be claimed for so much of the expenditure and capital investment as is financed by a state, federal, or private grant for energy conservation."

**Section 2.** Section 15-32-106, MCA, is amended to read:

"15-32-106. Procedure for obtaining benefit of deduction or credit. ~~The department of revenue shall provide forms on which a taxpayer may apply for tax treatment under 15-32-103 or 15-32-109. Application shall be made to the department of revenue.~~ THE DEPARTMENT OF REVENUE SHALL PROVIDE FORMS ON WHICH A TAXPAYER MAY APPLY FOR A TAX CREDIT UNDER 15-32-109. The department of revenue shall approve an application a deduction or credit under 15-32-103 or 15-32-109 which demonstrably promotes energy conservation or utilizes a recognized nonfossil form of energy generation. The department of revenue may refer ~~an--application a~~ deduction or credit involving energy generation to the department of natural resources and conservation for its advice, and the department of natural resources and conservation shall respond within 60 days. The department of revenue may refer ~~an--application a deduction or credit~~

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**Section 2.** Section 15-32-106, MCA, is amended to read:

"15-32-106. Procedure for obtaining benefit of deduction or credit. ~~The department of revenue shall provide forms on which a taxpayer may apply for tax treatment under 15-32-103 or 15-32-109.~~ Application shall be made to the department of revenue. THE DEPARTMENT OF REVENUE SHALL PROVIDE FORMS ON WHICH A TAXPAYER MAY APPLY FOR A TAX CREDIT UNDER 15-32-109. The department of revenue shall approve an application a deduction or credit under 15-32-103 or 15-32-109 which demonstrably promotes energy conservation or utilizes a recognized nonfossil form of energy generation. The department of revenue may refer an--application a deduction or credit involving energy generation to the department of natural resources and conservation for its advice, and the department of natural resources and conservation shall respond within 60 days. The department of revenue may refer an--application a deduction or credit

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