

ST	BILL NO.	DOC TYPE	VERSION	LEGIS DATE
MT	HB262	Bill Text	Enrolled	4/16/2009
Revise list of low emission wood combustion devices that qualify for tax credit				
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HOUSE BILL NO. 262

INTRODUCED BY B. EBINGER, DRISCOLL, PHILLIPS

AN ACT REVISING THE DEFINITION OF "LOW-EMISSION WOOD OR BIOMASS COMBUSTION DEVICE" TO INCLUDE A MASONRY HEATER AND AN OUTDOOR HYDRONIC HEATER FOR THE PURPOSE OF CLAIMING THE TAX CREDIT FOR INSTALLING AN ALTERNATIVE ENERGY SYSTEM; AMENDING SECTIONS 15-32-102 AND 15-32-201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

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

Section 1. Section 15-32-102, MCA, is amended to read:

"15-32-102. Definitions. As used in this part, the following definitions apply:

(1) "Alternative energy system" means the generation 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 1 megawatt, and other recognized nonfossil forms of energy generation.

(2) "Building" means:

- (a) a single or multiple dwelling, including a mobile home or manufactured home; or
- (b) a building used for commercial, industrial, or agricultural purposes that is enclosed with walls and a roof.
- (3) "Capital investment" means any material or equipment purchased and installed in a building or land with or without improvements.
- (4) "Energy conservation purpose" means one or both of the following results of an investment:
 - (a) reducing the waste or dissipation of energy; or
 - (b) reducing the amount of energy required to accomplish a given quantity of work.
- (5) "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.
- (6) "Low-emission wood or biomass combustion device" means ~~a wood-burning appliance~~:
 - (a) a wood burning appliance that is:
 - (i) certified by the U.S. environmental protection agency pursuant to 40 CFR 60.533; ~~or~~ or
 - (ii) qualified for the phase 2 white tag under the U.S. environmental protection agency method 28 OWHH for outdoor hydronic heaters;
 - (b) an appliance that uses wood pellets as its primary source of fuel; or
 - (c) a masonry heater constructed or installed in compliance with the requirements for masonry heaters in the International Residential Code for One- and Two-Family Dwellings.
- ~~(7)~~(7) "Passive solar system" means a direct thermal energy system that uses the structure of a building and its operable components to provide heating or cooling during the appropriate times of the year by using the climate resources available at the site. ~~It~~ The term includes only those portions and components of a building that are expressly designed and required for the collection, storage, and distribution of solar energy and that are not standard components of a conventional building.
- ~~(8)~~(8) "Recognized nonfossil forms of energy generation" means:
 - (a) a system that captures energy or converts energy sources into usable sources, including electricity,

by using:

- (i) solar energy, including passive solar systems;
 - (ii) wind;
 - (iii) solid waste;
 - (iv) the decomposition of organic wastes;
 - (v) geothermal;
 - (vi) fuel cells that do not require hydrocarbon fuel; or
 - (vii) an alternative energy system;
- (b) a system that produces electric power from biomass or solid wood wastes; or
- (c) a small system that uses water power by means of an impoundment that is not over 20 acres in surface area."

Section 2. Section 15-32-201, MCA, is amended to read:

"15-32-201. Amount of credit -- to whom available. (1) A resident individual taxpayer who completes installation of an energy system using a recognized nonfossil form of energy generation, as defined in 15-32-102, ~~in to provide heat for~~ the taxpayer's principal dwelling ~~after December 31, 2001,~~ is ~~entitled~~ allowed to claim a tax credit in an amount equal to the cost of the system, including installation costs, less grants received, not to exceed \$500, against the income tax liability imposed against the taxpayer pursuant to chapter 30.

(2) A A resident individual taxpayer who completes installation of an energy system using a low-emission wood or biomass combustion device, as defined in 15-32-102, ~~in to provide heat for~~ the taxpayer's principal dwelling ~~after December 31, 2001,~~ is ~~entitled~~ allowed to claim a tax credit in an amount equal to the cost of the system, including the installation costs, not to exceed \$500, against the income tax liability imposed against the taxpayer pursuant to Title 15, chapter 30."

Section 3. Effective date. [This act] is effective on passage and approval.

Section 4. Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to masonry heaters installed after December 31, 2008, and to tax years beginning after December 31, 2008.

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