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**ENERGY SYSTEM USING A LOW-EMISSION WOOD OR BIOMASS COMBUSTION DEVICE: Complete lines 5b through 8b if you installed a low-emission wood or biomass combustion device to provide heat for your principal dwelling in Tax Year 2021. See the instructions for the definition of a low-emission wood or biomass combustion device.**

<p>5b. Enter the cost of the system, including your installation cost ..... 5b.</p> <p>6b. <i>If you alone paid the total cost of the system</i>, enter the smaller of the amount on line 5b or \$500 here. Enter the same amount on Form 2, Nonrefundable Credits Schedule, line 18. <b>This is your alternative energy system credit.</b> ..... 6b.</p> <p>7b. <i>If both you and your spouse paid the cost of the system and your filing status is married filing jointly</i>, enter the smaller of the amount on line 5b or \$1,000 here. Enter the same amount on Form 2, Nonrefundable Credits Schedule, line 18. <b>This is your alternative energy system credit for you and your spouse.</b> ..... 7b.</p> <p>8b. <i>If both you and your spouse paid the cost of the system and your filing status is married filing separately</i>, enter the smaller of the amount on line 5b or \$500 for each spouse here and on Form 2, Nonrefundable Credits Schedule, line 18. Enter in columns A and B the amount allocated to each spouse. Neither spouse may claim more than \$500, and the total of both spouses' credit on line 8b cannot exceed the amount on line 5b. <b>This is the alternative energy system credit as allocated for you and your spouse.</b> ..... 8b.</p>	<table border="1" style="width: 100%; height: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: center;">Column A</td> <td style="text-align: center;">Column B</td> </tr> <tr> <td style="height: 100px;"></td> <td style="height: 100px;"></td> </tr> </table>			Column A	Column B		
Column A	Column B						

**CARRYFORWARD OF ALTERNATIVE ENERGY SYSTEM FROM A PRIOR YEAR: Complete this section only if you are carrying forward your unused alternative energy system credit from a prior year. Your credit may be carried forward up to four years. However, the total credit reported in the year of installation and in subsequent years cannot exceed the maximum credit of \$500 per taxpayer for each installation. For example, you are a single individual who purchased and installed an alternative energy system for \$4,000 in 2020. You took a \$500 alternative energy system credit on your 2020 tax return. You are not entitled to any additional credit for that installation in any tax year following 2020.**

**Recognized Nonfossil Form of Energy Generation Carryforward**

<p>1c. Enter the amount of alternative energy system credit originally allowed ..... 1c.</p> <p>2c. Enter the amount of your alternative energy system credit previously claimed ..... 2c.</p> <p>3c. Subtract line 2c from line 1c and enter the result here and on Form 2, Nonrefundable Credits Schedule, line 17 ..... 3c.</p>	<table border="1" style="width: 100%; height: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"></td><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td><td style="height: 20px;"></td></tr> </table>						

**Low-Emission Wood or Biomass Combustion Device Carryforward**

<p>1d. Enter the amount of alternative energy system credit originally allowed ..... 1d.</p> <p>2d. Enter the amount of your alternative energy system credit previously claimed ..... 2d.</p> <p>3d. Subtract line 2d from line 1d and enter the result here and on Form 2, Nonrefundable Credits Schedule, line 18 ..... 3d.</p>	<table border="1" style="width: 100%; height: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"></td><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td><td style="height: 20px;"></td></tr> </table>						

If you file your Montana tax return electronically, you do not need to mail this form to us unless we ask you for a copy. When you file electronically, you represent that you have retained the required documents in your tax records and will provide them upon the department's request.

## Form ENRG-B Instructions

**Important Note:** This credit has been repealed for Tax Year 2022. Tax Year 2021 is the last year this credit is available. This credit may be carried forward until Tax Year 2025. If you have amounts to carry forward use this form annually to report your amount of carryforward until it has been exhausted.

### What is a recognized nonfossil form of energy generation?

A recognized nonfossil form of energy generation means:

- a system that captures energy or converts energy sources into usable sources, including electricity, by using:
  - solar energy, including passive solar systems
  - wind
  - solid waste
  - the decomposition of organic waste
  - geothermal
  - fuel cells that do not require hydrocarbon fuel; or
- a system that produces electric power from biomass or solid wood wastes; or
- a small system that uses water power by means of an impoundment that is not over 20 acres in surface area.

### What is a low-emission wood or biomass combustion device?

A low-emission wood or biomass combustion device means:

- a wood-burning appliance that:
  - is certified by the U.S. environmental protection agency pursuant to 40 CFR 60.533, or
  - uses wood pellets as its primary source of fuel; or
- an outdoor hydronic heater qualified for the Phase 2 white tag under the U.S. Environmental Protection Agency Method 28 OWHH; or
- 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.

### Who qualifies for the alternative energy system credit?

The alternative energy systems credit is available only to Montana resident individuals who install a qualifying system or device in their principal dwelling.

### In 2021, I paid for an alternative energy system but installation was not complete until 2022. When can I take the credit?

You can claim the credit in 2022 when installation is complete and the system is first in service. You can include the amount paid in 2021 when calculating your credit for 2022.

### I installed a wood burning stove in my principal dwelling this year but I am unable to claim the full amount of my credit because my income tax liability is less than \$500. Can I carry my unused credit forward?

Yes. You can carry forward any unused portion of your credit for four succeeding tax years.

Complete the carryforward section on the form to determine the amount of credit that can be carried forward.

Your total credit reported in the year of installation and in subsequent years cannot exceed the maximum credit of \$500 per taxpayer for each installation. For example, you are a single individual who purchased and installed an alternative energy system for \$4,000 in 2020. You took a \$500 alternative energy system credit on your 2020 tax return. You are not entitled to any additional credit for that installation in any tax year following 2020.

### My spouse and I jointly own our principal dwelling. Can we both qualify for the alternative energy system credit?

If you both paid for the installation of any one alternative energy system and the total cost was \$1,000 or more, you can each claim up to \$500. If the cost of the system was less than \$1,000, you may allocate the credit between you and your spouse, but neither spouse can claim more than \$500.

### I made repairs to my alternative energy system this year. Am I entitled to claim this credit for the cost of my repairs?

No. Repairs to your existing alternative energy system are not installation costs that entitle you to an additional alternative energy system credit.

For example: In 2021, you replaced damaged solar panels that were installed in your principal home in 2010, at which time you claimed an alternative energy system credit of \$500. You are not entitled to an additional \$500 credit for the repairs and replacement of parts to your existing solar system.

Please visit our website at [MTRRevenue.gov](https://MTRRevenue.gov) for additional information on energy-related tax relief options. The website includes answers to frequently asked questions and links to related sites.

**Administrative Rules of Montana:** [42.4.104](#), [42.4.110](#), and [42.4.121](#)

**Questions?** Call us at (406) 444-6900, or Montana Relay at 711 for the hearing impaired.