

Form ENRG-B Instructions

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 2019, I paid for an alternative energy system but installation wasn't complete until 2020. When can I take the credit?

You can claim the credit in 2020 when installation is complete and the system is first in service. You can include the amount paid in 2019 when calculating your credit for 2020.

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 2018. You took a \$500 alternative energy system credit on your 2018 tax return. You are not entitled to any additional credit for that installation in any tax year following 2018.

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 2019, 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 revenue.mt.gov for additional information regarding energy-related tax relief options. The website includes information such as answers to frequently asked questions and links to other related sites.

Administrative Rules of Montana: 42.4.104 through 42.4.121

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