



2009 Energy Conservation Installation Credit
15-32-109, MCA

Your first name and initial	Last name	Your social security number
Spouse's first name and initial	Spouse's last name	Spouse's social security number

1. Enter the physical address of the building where the energy conservation installation occurred. 1.	
2. Enter the date the energy conservation installation was completed..... 2.	
3. Enter the type of investment, i.e. insulation, windows, doors, heating systems..... 3.	

4. Was this energy conservation installation made in the process of constructing a new building? Yes No

If you answered "Yes" to question 4 above, your energy conservation expenses reported on lines 5 and 6 below are those expenses that exceed the requirements of the 2003 International Energy Conservation Code (IECC) with Montana amendments. See the instructions for further details.

Complete lines 5 through 11 to determine your energy conservation installation credit for 2009. This is a nonrefundable single year credit that cannot exceed your income tax liability and cannot be carried forward to subsequent years.

If you are married and both you and your spouse paid the expenses for the energy conservation investment, combine these expenses on lines 5 and 6 to determine the amount of each spouse's credit. If you and another individual (or individuals) to whom you are not married paid the energy conservation expenses, enter on lines 5 and 6 only those expense that are attributable to you. Do not include on lines 5 and 6 those energy conservation expenses attributed to the other individuals.

5. Enter the total amount of your expenses paid in 2009 for the capital investments you made in the physical attributes of your building for energy conservation purposes. 5.	
6. Enter the total amount of your expenses paid in 2009 for the installation of a water, heating or cooling system in your building for energy conservation purposes. 6.	
7. Add lines 5 and 6 and enter the result here. This is your total expenditure for energy conservation purposes made in 2009..... 7.	
8. Multiply the amount on line 7 by .25 (25%) and enter the result here. 8.	
9. If the energy conservation investment was paid only by you, enter the smaller of the amount on line 8 or \$500. This is your energy conservation installation credit. Enter here and on Form 2, Schedule V, or Form 2M, Schedule II..... 9.	
10. If the energy conservation investment was paid by both you and your spouse and your filing status is married filing jointly, enter here the smaller of the amount on line 8 or \$1,000. This is the energy conservation installation credit for you and your spouse. Enter here and on Form 2, Schedule V, or Form 2M, Schedule II..... 10.	

11. If the energy conservation investment was paid by both you and your spouse and your filing status is married filing separately on the same form, or on separate forms, your total credit is the smaller of the amount reported on line 8 above or \$500 for each spouse. Enter in columns A and B the amount allocated to each spouse. Neither spouse may claim more than \$500. The total of both spouses' credit on line 11 cannot exceed the amount on line 8. This is the individual energy conservation installation credit for you and your spouse. Enter here and on Form 2, Schedule V. 11.	Column A	Column B

When you file your Montana income tax return electronically, you represent that you have retained all documents required as a tax record and that you will provide a copy to the department upon request.

General Instructions

Please visit our website at energycredit.mt.gov for additional information regarding the energy conservation installation credit and other energy-related tax relief options. The website includes information such as examples of expenditures that do not qualify for the credit, answers to frequently asked questions, and links to related sites.

What capital investments can I make to a building that will qualify for the energy conservation credit?

To qualify for this credit, your investment has to be made to the building itself. The following investments qualify for the energy conservation credit.

- Insulation of floors, walls, ceilings and roofs in existing buildings
- Insulation in the floors, walls, ceilings and roofs of a new building, to the extent that it exceeds the current International Conservation Code with Montana amendments as adopted by the Montana Department of Labor and Industry
- Insulation of heating and air conditioning pipes, insulation and sealing of heating, ventilation and air conditioning (HVAC) ducts, and insulation of hot water heater and tanks
- Windows that result in reduction of energy consumption
- Storm doors and insulated exterior doors
- Caulking and weather stripping of an existing structure
- Devices which limit the flow of hot water from shower heads and lavatories
- Heat recovery ventilators (HRV)
- Glass fireplace doors on existing fireplaces
- Exhaust fans used to reduce air conditioning requirements
- Replacement of incandescent light fixtures with light fixtures of a more efficient type such as those with electronic ballast and compact or linear fluorescent lamps and LED lights
- Lighting controls with cutoff switches to permit selective use of lights
- Programmable thermostats
- Installation of new domestic water heaters, heating or cooling systems, as long as the new system uses energy more efficiently than the previous system

What are some examples of investments that will NOT qualify for the energy conservation credit?

In general, any investment for repairs or maintenance to a building or residence will not qualify. The following are examples of expenditures that will NOT qualify for the energy conservation credit. This list is not all-inclusive.

- Installing carpet
- Reshingling or repairing a roof
- Paint
- Replacing or repairing a failing foundation
- Siding with little or no insulation
- Portable air conditioners
- Space heaters
- Household appliances such as ENERGY STAR stoves, washers and dryers.

I am constructing a new home. Can I claim the energy conservation installation credit?

Yes, you can. For new buildings, eligible investments are energy saving materials or systems that exceed the 2003 International Energy Conservation Code (IECC) requirements for Montana or established standards of construction. The extra costs associated with building a home above energy code minimum requirements are considered eligible investments for this tax credit.

The eligible investment for the energy conservation installation credit in new home construction will need to exceed the requirements of the 2003 IECC with Montana amendments. Your investment that only meets the requirements of the 2003 IECC is not an eligible investment for purposes of the tax credit. For

example, if you install an ENERGY STAR qualified furnace in a new home construction project, the incremental cost of the qualified furnace and its installation cost that exceed the cost of a conventional furnace that is required by the IECC will qualify for the tax credit.

To support the amount of credit you claim, you will need to be able to provide documents showing the extra costs that exceed the minimum requirements. You can do this by asking your contractor to provide you with the costs of meeting the minimum when you ask for a bid on the more energy efficient installation.

Is there another way to calculate the credit for investments made while constructing a new home?

Yes, there is another option. The purchase by the first owner or construction by an individual of a site-built home can be considered the equivalent of investing \$2,000 in energy conserving measures if the home has been certified under either the ENERGY STAR program or the Montana Building Industry's Green Build program. A home certified under the Green Build program must attain either a Gold level or a Silver level with an ENERGY STAR heating system in order to calculate the credit in this manner.

The resulting credit of \$500 ($\$2,000 \times 25\%$) may be split among all individuals who purchased the home. The resale of a home certified under either program does not qualify for any credit. Please contact the Department of Revenue or review the administrative rules at energycredit.mt.gov for more information.

How do I determine if a specific furnace or boiler model or cooling system qualifies as an eligible investment for the energy conservation credit?

In general, heating and cooling equipment that qualifies for the ENERGY STAR Program will meet specifications for the tax credit. Visit the ENERGY STAR website at energystar.gov to view a listing of ENERGY STAR qualified equipment from any manufacturer.

My spouse and I replaced the windows and doors in our home with those that will qualify us for the energy conservation installation credit. Are we both entitled to the tax credit?

Yes, you are. If your energy conservation investment(s) were \$4,000 or more and both you and your spouse paid for the investment, you are each entitled to a \$500 energy conservation installation credit. If you are filing jointly with your spouse, you may claim \$1,000 as your energy conservation installation credit. If you are filing separately with your spouse, each spouse's energy conservation installation credit is limited to the smaller of \$500 or 25% of his or her investment.

I qualify for the energy conservation installation credit 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 to 2010?

No, you cannot. The energy conservation installation credit is a nonrefundable single year credit in which you cannot carry forward any unused portion of your credit to succeeding tax years.

I installed new windows and exterior doors in my home for a total expenditure of \$10,000. My 25% energy conservation installation credit is \$2,500. Am I eligible for the full \$2,500 credit?

No, you are not. Your energy conservation installation credit is limited to the smaller of \$500 or 25% of the qualified investments made during the tax year. You are not eligible to carry any of the excess credit forward to succeeding tax years.

What type of records should I retain to document my eligible expenses for the energy conservation installation credit?

You should retain invoices, sales agreements or receipts that document work done and the equipment installed. Your records should clearly state the equipment manufacturer, make and model number of any installed heating and cooling systems, windows, doors, light fixtures, thermostats, etc., that will determine the qualifications for this tax credit.

Questions? Please call us toll free at (866) 859-2254 (in Helena, 444-6900).