



## **Montana Energy Incentives Remain in Effect for 2014 Tax Year**

DEQ and DOR outline conservation and renewable credits

Helena -- The Montana Department of Environmental Quality and the Department of Revenue would like to remind Montana residents who invested in energy conservation measures in 2014 that they may be eligible for Montana Energy Conservation Tax Credits. Certain investments in renewable energy projects in 2014 also remain available for tax credits.

Tax credits are deducted from the bottom line of taxes owed.

A full 25 percent of qualifying conservation investments, including labor and materials, may be claimed, up to \$500 per taxpayer (\$1,000 for couples). Investments must have been placed in service during the 2014 tax year in order to be claimed as Montana tax credits. The following are some qualifying investments:

- Attic, wall, and floor insulation
- Qualifying energy-efficient windows and doors
- Replacement of incandescent light fixtures
- Programmable thermostats
- Qualifying furnace replacements

Montana energy conservation credits can be claimed each year a qualifying investment was made. Go to this site for the full listing of investments that qualify for the Montana credit:  
[http://revenue.mt.gov/home/individuals/taxrelief\\_energy](http://revenue.mt.gov/home/individuals/taxrelief_energy)

The U.S. Congress temporarily expanded the federal conservation tax credit in 2009 and 2010, but allowed it to return to its permanent status after that. If you have taken energy conservation tax credits of \$500 or more in previous years, you cannot claim additional federal credits for tax year 2014. The following limitations apply for 2014:

- The maximum limit claimed for energy efficient windows cannot exceed \$200
- The maximum limit claimed for qualified furnaces or hot water boilers cannot exceed \$150
- Hot water heaters, some heat pumps, and qualified central air conditioners are capped at \$300
- Unlike the state credit, labor costs cannot be claimed for the federal credit

The Montana credit for renewable energy projects includes all qualified investments with a cap of \$500 per taxpayer. Most state renewable energy credits are for primary residences. The federal incentive for renewable projects is 30 percent of the qualifying investment, including engineering and installation costs, but remains uncapped, at least for tax year 2014. Second homes generally qualify for the federal credit.

The federal government has determined ground-source heat pumps to be an underused technology and offers a 30 percent tax credit against the cost to install these Energy Star-rated types of systems. There is no maximum dollar amount on the federal credit with all investments uncapped for the 2014 tax year. The Montana credit can be used up to a \$1,500 credit for geothermal systems. Once again, the system must have been installed on a primary residence, either new or established.

The Montana credit for qualifying wood-burning or pellet stoves remains at \$500 for the 2014 tax year. Indoor and outdoor wood-burning appliances must meet the efficiency levels as listed on the back of state tax form ENRG-B. Qualifying fireplace inserts and masonry stoves may also be claimed for the state credit. The federal credit may be taken against the full cost of a qualifying appliance with a cap set at \$300. The DEQ website for incentives for renewable energy is: <http://deq.mt.gov/Energy/Renewable/TaxIncentRenew.mcp>

The Montana Department of Revenue website offers details on state requirements for all energy tax credits currently available. The 2014 versions of Montana tax forms ENRG-C (conservation), ENRG-B (renewables), and ENRG-A (geothermal) are available online at <http://revenue.mt.gov/home/forms> under Individual Income Tax Forms. The website also provides information on upcoming changes to the conservation credit for doors and windows in tax year 2015.

The Database of State Incentives for Renewables & Efficiency (DSIRE) is a good resource for federal energy investment incentives:

[www.dsireusa.org/incentives/incentive.cfm?Incentive\\_Code=US37F&re=1&ee=1](http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US37F&re=1&ee=1)

#### FOR MORE INFORMATION

Paul Driscoll  
Public Information Officer  
DEQ Planning, Prevention and Assistance  
406-444-6421

Molly Petersen  
Acting Public Information Officer  
Montana Department of Revenue  
406-444-4331