Montana Department of REVENUE

MONTANA
ENRG-C
Rev 06 15

2015 Energy Conservation Installation Credit

15-32-101 through 15-32-109, MCA

Your First Name and Initial	Last Name
Spouse's First Name and Initial	Last Name

Social Security Numbers

___ - __ - ____

___ - __ - ____

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.

Complete lines 4 through 10 to determine your energy conservation installation credit for 2015. 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 4 and 5 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 4 and 5 only those expenses that are attributable to you. Do not include on lines 4 and 5 those energy conservation expenses attributed to the other individuals.

4. Enter the total amount you paid in 2015 for capital investments in the physical attributes of a building for energy conservation purposes.....4.
5. Enter the total amount you paid in 2015 for the installation of a water, heating or cooling system in a building for energy conservation purposes.....5.
6. Add lines 4 and 5 and enter the result here. This is your total expenditure for energy conservation purposes made in 2015.....6.
7. Multiply the amount on line 6 by 0.25 (25%) and enter the result here .....7.
8. *If the energy conservation investment was paid only by you*, enter the smaller of the amount on line 7 or $500. **This is your energy conservation installation credit.** Enter here and on Form 2, Schedule V.....8.
9. *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 7 or $1,000. **This is your energy conservation installation credit for you and your spouse.** Enter here and on Form 2, Schedule V.....9.

	Column A	Column B
10. *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 7 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 10 cannot exceed the amount on line 7. **This is the energy conservation installation credit as allocated for you and your spouse.** Enter here and on Form 2, Schedule V .....10.		

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.

15DA0101

Form ENRG-C Instructions

New! For investments made in new construction after January 1, 2015, the requirements for installation of doors, windows and insulation have been updated. Please visit our website at *revenue.mt.gov* for additional information regarding the energy conservation installation credit and other energy-related tax relief options.

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 Energy 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 (except when it is a standard component in the construction or maintenance of the structure such as the chinking and caulking in a log home)
- Devices which limit the flow of hot water from shower heads and lavatories
- Heat recovery ventilators (HRV)
- Glass fireplace doors installed in an existing conventional fireplace
- 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

Are there certain ratings or specifications my investment must meet in order to qualify for the credit?

Yes. Some types of investments must meet certain ratings or specifications to qualify for the credit. Please refer to the chart below for information about any requirements there may be for your investment.

Type of Investment	Specification to qualify for the credit
Exterior windows and skylights	U-factor less than or equal to 0.30
Storm windows	U-factor less than or equal to 0.30 when measured in combination with the exterior window over which it is installed
Exterior doors	U-factor less than or equal to 0.30
Storm doors	U-factor less than or equal to 0.30 when measured in combination with the wood door over which it is installed
Split system central air conditioning	EER greater than or equal to 13 and SEER greater than or equal to 16
Package system central air conditioning	EER greater than or equal to 12 and SEER greater than or equal to 14
Split system air source heat pumps	HSPF greater than or equal to 8.5, EER greater than or equal to 12.5 and SEER greater than or equal to 15
Package system air source heat pumps	HSPF greater than or equal to 8, EER greater than or equal to 12.5 and SEER greater than or equal to 14
Natural gas or propane furnace	AFUE greater than or equal to 95
Oil furnace	AFUE greater than or equal to 90
Hot water boiler	AFUE greater than or equal to 90
Advanced main air circulating fan	no more than 2% of total energy use
Heat recovery ventilators	CSA C439-00 standard
Gas, oil, or propane water heater	energy factor greater than or equal to 0.82 or thermal efficiency of at least 90%
Electric heat pump water heater	energy factor greater than or equal to 2.0

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
- Metal roof with pigmented coating or asphalt roof with cooling granules
- Paint
- Replacing or repairing a failing foundation
- Siding
- Portable air conditioners
- Space heaters
- Gas fireplaces and fireplace inserts
- Household appliances such as ENERGY STAR stoves, washers and dryers.

I installed a high efficiency central air-conditioning system in my home that did not have a central air-conditioning system previously. Can I claim the credit?

Yes. You may claim the credit if the system meets or exceeds the applicable specification listed in the chart on the previous page.

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

Yes, you can. For doors, windows and insulation installed on or after January 1, 2015, only the additional cost expended to exceed the requirements of the IECC as amended and adopted by the Montana Department of Labor and Industry qualifies for the credit. You calculate the additional cost by comparing the actual amount expended to the estimated, retail cost of installing an item that is substantially similar in style and design and that also meets the required rating. For example, the credit cannot be based on comparing the retail cost of an ornate, solid-wood door to the cost of a less ornate, fiberglass door.

All other investments made in items as part of constructing new buildings or dwellings will qualify for the credit as long as the items meet or exceed the applicable specification listed in the chart on the previous page.

If an item meets or exceeds the applicable specification, both the cost of the item itself and any basic installation costs qualify.

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 (25% of $2,000) 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 for more information.

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?

No, you cannot. The energy conservation installation credit is a nonrefundable single year credit. 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.

Administrative Rules of Montana: 42.4.201 through 42.4.209

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