Montana Department of REVENUE

MONTANA
AFCR
Rev 04 15

2015 Alternative Fuel Credit

15-30-2320 and 15-31-137, MCA

Name (as it appears on your Montana tax return)

Social Security Number ___ – __ – ____ ***OR*** Federal Employer Identification Number __ – _____

Part I. Partners in a Partnership or Shareholders of an S Corporation

Enter your portion of the alternative fuel credit here. See instructions. $_____

Business Name of Partnership or S Corporation _____ Federal Employer Identification Number __ – _____

Part II. Credit Computation

Complete a separate Montana Form AFCR for each vehicle that you converted.

Year and make of vehicle _____ Date conversion completed_____

Alternative fuel type _____ Gross vehicle weight_____

1. Enter your equipment and labor costs of the conversion here ..... 1. _____
2. Multiply the amount on line 1 by 50% (0.50) and enter the result here ..... 2. _____
3. If your gross vehicle weight is 10,000 pounds or less, enter $500 here;

   If your gross vehicle weight is more than 10,000 pounds, enter $1,000 here ..... 3. _____
4. Enter the smaller of line 2 or line 3. This is your allowable alternative fuel credit for this vehicle ..... 4. _____
5. Add the amount on line 4 for each Form AFCR that you submit and enter the result here. **This is your total alternative fuel credit.** ..... 5. _____

Where to Report Your Credit

- ►Individuals: Form 2, Schedule V
- ►C corporations: Form CIT, Schedule C
- ►S corporations: Form CLT-4S, Schedule II
- ►Partnerships: Form PR-1, Schedule II

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 AFCR Instructions

Alternative Fuel means natural gas, liquefied petroleum gas, liquefied natural gas, hydrogen, electricity or any other fuel if at least 85% (0.85) of the fuel is methanol, ethanol or other alcohol, ether, or any combination of these.

Who can claim this credit?

An individual, corporation, partnership, or S corporation that converts a vehicle that is licensed in Montana from operating on gasoline to operating on an alternative fuel is entitled to the credit.

What information do I have to include with my tax return when I claim this credit?

- **Individuals.** If you are filing a paper return, include a copy of Form AFCR with your individual income tax return.
- **C corporations.** If you are filing a paper return, include a copy of Form AFCR with your corporate income tax return.
- **S corporations and partnerships.** If you are an entity taxed as an S corporation or a partnership and are claiming this credit, include Form AFCR with your Montana information return Form CLT-4S or PR-1 and include a separate statement identifying each owner and their proportionate share.

You will need to complete a separate Form AFCR for each source you are receiving the credit from. For example, if you are a partner in one partnership that qualifies for this credit, and you, as an individual, also qualify for this credit, you would need to complete two forms.

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Part I. Partners in a Partnership or Shareholders of an S Corporation

If you complete Part I, do not complete Part II.

How do I claim my credit when I am a partner or shareholder in a partnership or S corporation that converted the vehicle?

If you received this credit from a partnership or S corporation, you will need to fill out Part I in its entirety. Your portion of the credit can be obtained from the Montana Schedule K-1 that you received from the entity. In addition to reporting your portion of the credit, you will need to provide the partnership's or S corporation's name and Federal Employer Identification Number.

If you are a partner or shareholder in more than one partnership or S corporation, you will need to complete a separate Form AFCR for each entity you are receiving the credit from.

Part II. Credit Computation

If you complete Part II, do not complete Part I.

Can I claim this credit if the conversion of the vehicle was performed at a location outside of Montana?

The location of the conversion does not affect whether the vehicle is eligible for the credit. In order to qualify for the credit, the motor vehicle must be licensed in Montana at the time of conversion.

If the credit exceeds my tax liability, can I carry any excess credit to another tax year?

No, you cannot. Your credit can only be claimed in the year the conversion is made and cannot exceed your tax liability.

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