



2009 Geothermal System Credit
15-32-115, MCA

Your first name and initial or business name	Last name (individuals only)	Your SSN or FEIN
Spouse's first name and initial	Last name	Spouse's SSN

Resident individual taxpayers use column C only

	A	B	C
1. Enter the physical address of the home where the geothermal system was installed..... 1.			
2. Enter the date the installation of your geothermal system was completed 2.			
3. Enter the brand name and model number of the geothermal system that you installed 3.			

If filing for a business and more than three systems were installed, attach additional schedules.

Complete lines 4 through 7 only for the year that you installed your geothermal system(s) in a primary dwelling.

4. Enter the installation cost of the geothermal system 4.			
5. Enter the amount of any grants that you received for the installation of the geothermal system 5.			
6. Subtract line 5 from line 4 and enter the result here 6.			
7. Enter the smaller of line 6 or \$1,500 here 7.			

8. Add the amounts on line 7 of each column including any amounts on additional schedules. Enter the amount here. **This is your current year geothermal system credit.** 8.

If you are filing a:

- Form 2
- FID-3
- CLT-4

Report the amount on:

- Schedule V
- Schedule III
- Schedule C

Carryforward of Geothermal System Credit from a Prior Year

Complete lines 9 through 11 only if you are a resident individual taxpayer and you are carrying forward your unused geothermal system credit from a prior year. If you are filing as a C corporation, the carryforward provisions are included on Form CLT-4, Schedule C.

9. Enter the amount of your geothermal system credit originally allowed. This cannot be greater than \$1,500..... 9.	<input style="width: 100px; height: 20px;" type="text"/>
10. Enter the amount of your geothermal system credit or credits previously claimed 10.	<input style="width: 100px; height: 20px;" type="text"/>
11. Subtract line 10 from line 9 and enter the result here and on Form 2, Schedule V. This is your unused geothermal system credit. 11.	<input style="width: 100px; height: 20px;" type="text"/>

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.

Form ENRG-A General Instructions

What is a geothermal system?

A geothermal system is a system that transfers energy either from the ground, by way of a closed loop, or from ground water, by way of an open loop, for the purpose of heating or cooling a residential building.

What costs are included in the installation cost of my geothermal system?

Your installation costs include the cost of:

- Trenching, well drilling, casing and downhole heat exchangers
- Piping, control devices and pumps that move heat from the earth to heat or cool the building
- Ground source or ground coupled heat pumps
- Liquid-to-air heat exchanger, ductwork and fans installed with a ground heat well that pump heat from a well into a building
- Design and labor

Who qualifies for the geothermal system credit?

For individuals, the geothermal system credit is available to a Montana resident who completes the installation of a geothermal system in his or her principal dwelling or home. This credit is also available to an individual for installing a geothermal system while constructing a new Montana residence “on spec.” This credit is not available to a nonresident individual who installs a system in a residence they own but is not their principal dwelling or home or is located outside of Montana.

For C corporations, the credit is available for installing a geothermal system while constructing a new Montana residence “on spec.”

This credit is not available for a geothermal system installed by a partnership or S corporation constructing a new Montana residence “on spec.”

Only one credit is allowed for a residence so the builder and owner of a new residence with a qualifying geothermal system cannot both claim the credit.

I am an individual and purchased a newly constructed home with a geothermal system installed by the builder. Am I entitled to the credit?

No. You did not directly pay the installation costs of the system so you are not entitled to the credit. In this situation, the builder may be entitled to the credit.

I am a contractor or builder and have been hired to construct a residence. The plans include

installing a geothermal system. Am I entitled to the credit?

No. The individual who hired you is bearing the additional costs associated with installing the system so they are entitled to the credit.

I am an individual purchasing a “spec house” that is still under construction. The current plans do not include a geothermal system. If I have the plans changed to include a system, can I claim the credit?

Yes. As long as you pay for the additional costs associated with installing the geothermal system, you are entitled to the credit.

I have installed a geothermal system in my principal home this year but am unable to claim the full amount of my geothermal credit because my income tax liability is less than \$1,500. Can I carry my unused credit forward?

Yes. This credit is considered a nonrefundable carryover credit in which you can carry forward any unused portion of your geothermal system credit for seven succeeding tax years. Complete lines, 9, 10 and 11 to determine the amount of your geothermal credit that can be carried forward from a prior year. Your total credit reported in the year of installation and in subsequent years cannot exceed the maximum credit of \$1,500.

My spouse and I both own our primary home. Can we both qualify for the geothermal system credit?

Yes, you can, but the credit is limited to \$1,500 for the installation of a geothermal system in your principal home. You may allocate the credit between you and your spouse in any manner you choose.

I made repairs to my geothermal system this year. Am I entitled to claim this credit for the cost of my repairs?

No. Repairs to your existing geothermal system are not installation costs that entitle you to a geothermal system credit.

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.

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