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([#ct100_SiteMapPath1_SkipLink](#)) [Home \(/default.mcpix\)](#) » [Energy \(/energy/default.mcpix\)](#) » [Renewable Energy \(/energy/Renewable/default.mcpix\)](#) » [Tax Incentives](#)

Tax and Other Incentives

Montana Incentives for Renewable Energy

This is a list of all the incentives, tax and otherwise, that Montana law offers for renewable energy development. Some are just for individuals; some are just for businesses; many are for both. These incentives generally apply to most kinds of renewable energy. Incentives for ethanol and alternative fuels are in the final section below.

The tax incentives are updated to cover the 2011 tax year. Forms from previous years are available from the [Department of Revenue](#) (http://revenue.mt.gov/formsandresources/downloadable_forms_previous_years/default.mcpix).

For federal tax incentives, see [Federal Tax Incentives-Tax Incentives Assistance Project](#) (<http://www.energytaxincentives.org/>).

[Tax Incentives \(/Energy/renewable/taxincentrenew.mcpix#tax\)](#)

| MCA Citation | Topic |
|--|--|
| 15-6-157 (#15-6-157) | Lower property tax rate for transmission lines carrying renewable energy |
| 15-6-224 (#15-6-224) | Property tax exemption for buildings using renewable energy |
| 15-6-225 (#15-6-225) | Property tax exemption for renewable generating facilities under 1 MW |
| 15-24-1401 (#15-24-1401) | Property tax reduction for renewable generating facilities 1 MW or more |
| 15-24-3101 (#15-24-3101) | Property tax abatement for renewable energy generating facilities |
| 15-31-124 (/Energy/renewable/taxincentrenew.mcpix#15-31-124) | New or expanded industry tax credit |
| 15-32-115 (/Energy/renewable/taxincentrenew.mcpix#15-32-115) | Personal income tax credits for a residential geothermal system |
| 15-32-201 (/Energy/renewable/taxincentrenew.mcpix#15-32-201) | Tax credits for individuals installing nonfossil forms of generation |
| 15-32-401 (/Energy/renewable/taxincentrenew.mcpix#15-32-401) | Alternative energy investment tax credit |
| 15-72-101 (#15-72-101) | Exemption from wholesale energy transaction tax |

[Other Financial Incentives \(/Energy/renewable/taxincentrenew.mcpix#other\)](#)

| MCA Citation | Topic |
|--|---|
| 85-1-601 (#85-1-601) | Renewable resource grant and loan program |
| 90-3-1001 (#90-3-1001) | Grants for renewable research and development |
| 90-5-101 (#90-5-101) | Local government revenue bonds |

[Loan Programs \(/Energy/renewable/taxincentrenew.mcpix#loan\)](#)

| MCA Citation | Topic |
|--|---|
| 17-6-401 (/Energy/renewable/taxincentrenew.mcpix#17-6-401) | Microbusiness loan program |
| 75-25-101 (/Energy/renewable/taxincentrenew.mcpix#75-25-101) | Alternative energy revolving loan program |
| 80-12-201 (/Energy/renewable/taxincentrenew.mcpix#80-12-201) | Montana beginning farm/ranch loan program |

[Programs Through Utilities \(/Energy/renewable/taxincentrenew.mcpix#utilities\)](#)

| MCA Citation | Topic |
|--|---|
| 69-3-601 (/Energy/renewable/taxincentrenew.mcpix#69-3-601) | Small power production facilities ("Qualifying facilities") |

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|--|-----------------------------------|
| 69-3-1404(2) (#69-3-1404 2) | Consumer protection |
| 69-3-2001 (#69-3-2001) | Renewable Portfolio Standard |
| 69-8-210(2) (#69-8-210 2) | Retail green power |
| 69-8-402 (/Energy/renewable/taxincentrenew.mcp#69-8-402) | Universal system benefits program |
| 69-8-601 (/Energy/renewable/taxincentrenew.mcp#69-8-601) | Net metering |

Other Programs That Support Renewables ([/Energy/renewable/taxincentrenew.mcp#support](#))

| MCA Citation | Topic |
|--|-------------------------------|
| 7-12-4101 (/Energy/renewable/taxincentrenew.mcp#7-12-4101) | Special improvement districts |
| 70-17-301 (/Energy/renewable/taxincentrenew.mcp#70-17-301) | Solar easements |
| 70-17-401 (#70-17-401) | Wind easements |





Ethanol and Biodiesel Incentives ([/Energy/renewable/taxincentrenew.mcp#ethanol](#))

| MCA Citation | Topic |
|---|--|
| 2-17-414 (/Energy/renewable/taxincentrenew.mcp#2-17-414) | Use of ethanol-blended fuel by state vehicles |
| 15-6-220 (/Energy/renewable/taxincentrenew.mcp#15-6-201(1)(dd)) | Property tax exemption for ethanol production facilities and canola seed oil processing facilities |
| 15-30-2320 (#15-30-2320) | Income tax credit for alternative fuel motor vehicle conversion |
| 15-32-701 (#15-32-701) | Oilseed crush facility tax credit |
| 15-32-702 (#15-32-702) | Biodiesel production facility tax credit |
| 15-32-703 (#15-32-703) | Biodiesel blending and storage tax credit |
| 15-70-221 (#15-70-221) | Gasoline tax refund for alcohol distributors |
| 15-70-320 (#15-70-320) | Special fuels tax exemption for certain biodiesel |
| 15-70-369 (#15-70-369) | Refund for fuel taxes paid on biodiesel |
| 15-70-522 (/Energy/renewable/taxincentrenew.mcp#15-70-522) | Tax incentive for production of alcohol |
| 82-15-121 (#85-15-121) | Ethanol requirement for gasoline sold in Montana |

Other Incentive Programs

The state has a variety of programs to encourage business activity. Some of these could apply to renewable energy businesses. Visit [Department of Commerce's website](#) (<http://www.mtfinanceonline.com/>) for more information.

On-line Resources

-  [Montana Code Annotated \(http://data.opi.mt.gov/bills/mca_toc/index.htm\)](http://data.opi.mt.gov/bills/mca_toc/index.htm)
-  [Department of Revenue \(http://revenue.mt.gov/default.mcp#\)](http://revenue.mt.gov/default.mcp#)
-  [Administrative Rules of Montana \(http://www.mtrules.org/default.asp\)](http://www.mtrules.org/default.asp)
-  [Federal Tax Incentives-Tax Incentives Assistance Project \(http://www.energytaxincentives.org/\)](http://www.energytaxincentives.org/)



Tax Incentives

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| Topic: | Lower property tax rates for transmission lines carrying renewable energy |
| Citation: | 15-6-157 (http://data.opi.mt.gov/bills/mca/15/6/15-6-157.htm) MCA |
| Summary: | Transmission lines with firm contracts to carry electricity from certain renewable energy facilities are eligible to be classified as in class fourteen, which is taxed at 3% of its market value. |
| Contact: | Department of Environmental Quality (http://deq.mt.gov/Energy/PropertyTaxIncentives.mcp#) ; also, Department of Revenue, 406-444-6900 |

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| Topic: | Property tax exemption for buildings using renewable energy |
| Citation: | 15-6-224 (http://data.opi.mt.gov/bills/mca/15/6/15-6-224.htm) MCA |
| Summary: | Certain amounts (\$20,000 for a single-family residential dwelling or \$100,000 for all other structures) of the assessed value of non-fossil forms of energy generation equipment or low-emission wood or biomass combustors are exempt from property taxes for 10 years following installation. |
| Contact: | Department of Revenue, 406-444-6900; use state tax form AB-14 (http://revenue.mt.gov/formsandresources/downloadable-forms/property-tax.mcpX) for individuals or for businesses. |
| Topic: | Property tax exemption for renewable generating facilities under 1 MW |
| Citation: | 15-6-225 (http://data.opi.mt.gov/bills/mca/15/6/15-6-225.htm) MCA |
| Summary: | New generating facilities with nameplate capacity of less than 1 MW and using an alternative renewable energy source are exempt from property taxes for 5 years after start of operation. |
| Contact: | No special form needed; contact Department of Revenue's local county office for more information. |
| Topic: | Property tax reduction for renewable generating facilities of 1 MW or greater |
| Citation: | 15-24-1401 (http://data.opi.mt.gov/bills/mca/15/24/15-24-1401.htm) et seq. MCA |
| Summary: | <p>Generating plants producing 1 megawatt or more by means of an alternative renewable energy source are eligible for the new or expanded industry property tax reduction on the local mill levy during the first nine years of operation, subject to approval by the local government. If so approved, the facility is taxed at 50 percent of its taxable value in the first five years after the construction permit is issued. Each year thereafter, the percentage is increased by equal percentages until the full taxable value is attained in the tenth year.</p> <p>The tax reduction applies only to taxes levied for the local high schools and elementary schools and for the local government offering the reduction.</p> |
| Contact: | No special form needed; contact Department of Revenue's local county office for more information. |
| Topic: | Property tax abatement for renewable energy generating facilities |
| Citation: | 15-24-3101 (http://data.opi.mt.gov/bills/mca/15/24/15-24-3101.htm) et seq. MCA |
| Summary: | Certain renewable energy facilities and equipment are eligible for a property tax abatement of 50 percent for up to 19 years. This abatement applies to all mills levied against the qualifying facility or equipment. Renewable energy research and development equipment, up to the first \$1 million of value, also is eligible to receive the abatement. |
| Contact: | Department of Environmental Quality (http://deq.mt.gov/Energy/PropertyTaxIncentives.mcpX) ; also, Department of Revenue, 406-444-6900 |
| Topic: | New or expanded industry tax credit |
| Citation: | 15-31-124 (http://data.opi.mt.gov/bills/mca/15/31/15-31-124.htm) et seq. MCA |
| Summary: | Businesses engaged in the production of energy by means of an alternative renewable energy source are eligible for the new or expanded industry tax credit against corporate income tax. To be considered an expanding industry, total full-time jobs must increase by 30 percent or more. The credit is equal to 1 percent of new wages paid in state during the first three years of operation. No carryback or carryover is allowed for this credit. |
| Contact: | Department of Revenue, 406-444-1758; see ARM 42.4.1601-1612 (http://www.mtrules.org/gateway/Subchapterhome.asp?scn=42.4.16) for information that must be provided. |
| Topic: | Personal income tax credits for installing a residential geothermal system |
| Citation: | 15-32-115 (http://data.opi.mt.gov/bills/mca/15/32/15-32-115.htm) MCA |

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| Contact: | Pam Smith (mailto:pamsmith@mt.gov) , DNRC, 406-444-6839 |
| Topic: | Grants for renewable research and development |
| Citation: | 90-3-1001 (http://data.opi.mt.gov/bills/mca_toc/90_3_10.htm) et seq. MCA |
| Summary: | The board of research and commercialization technology gives grants for renewable resource research and development projects, among other types, to be conducted at research and commercialization centers located in Montana. |
| Contact: | Dave Desch, Executive Director, 841-2760, or visit their website (http://businessresources.mt.gov/MBRCT/default.mcp.x) . |
| Topic: | Local government revenue bonds |
| Citation: | 90-5-101 (http://data.opi.mt.gov/bills/mca_toc/90_5_1.htm) et seq. MCA |
| Summary: | Limited obligation local government bonds ("special revenue bonds") may be issued for qualified electric energy generation facilities, including those powered by renewables. These bonds generally are secured by the project itself. The taxing power or general credit of the government may not be used to secure the bonds. Local governments may not operate any project financed by the sale of revenue bonds as a business except to lease it to some other party. These bonds are exempt from state taxes and may qualify for federal tax incentives. The tax-exemption feature allows funds to be borrowed at a significantly lower rate (1-2 percent) than possible with taxable bonds. There are various restrictions on how such bonds may be used. Because of the legal complexity of a bond issue, retaining bond counsel is important. The total amount of special revenue bonds that can be issued by state and local governments combined is capped, which theoretically could limit a government's ability to issue new bonds for a generation facility. |
| Contact: | Any interested county or municipality. |



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| Topic: | Microbusiness loan program |
| Citation: | 17-6-401 (http://data.opi.mt.gov/bills/mca_toc/17_6_4.htm) et seq. MCA |
| Summary: | Businesses producing energy using an alternative renewable energy source are eligible for microbusiness loans, which are capped at \$100,000. A microbusiness is a Montana-based company with fewer than ten full-time employees and a gross annual revenue of less than \$1 million. Application for a loan is made to a certified microbusiness development corporation; there currently are five located around the state. |
| Contact: | MicroBusiness Finance Program, Department of Commerce, 406-841-2751 or visit their website (http://businessresources.mt.gov/mbfp/default.mcp.x) to find locations of the nearest microbusiness development corporation. |
| Topic: | Alternative energy revolving loan program |
| Citation: | 75-25-101 (http://data.opi.mt.gov/bills/mca_toc/75_25_1.htm) et seq. MCA |
| Summary: | The alternative energy revolving loan program offers low-interest loans for up to \$40,000 with repayment up to ten years. The loans are for the purpose of installing alternative energy systems that generate energy for the building occupant's own use or for net metering. Energy conservation measures may also be financed along with the alternative energy project. The number of loans that will be made is subject to funding availability. The projects must be located in Montana. |
| Contact: | Alternative energy revolving loan program (/Energy/Renewable/altenergyloan.mcp.x) ; Kathi Montgomery (mailto:kmontgomery@mt.gov) , Department of Environmental Quality, 406-841-5243 |
| Topic: | Montana Beginning Farm/Ranch Loan Program |
| Citation: | 80-12-201 (http://data.opi.mt.gov/bills/mca/80/12/80-12-201.htm) et |

[69-12-201 \(http://data.opi.mt.gov/bills/mca/69/12/69-12-201.htm\)](http://data.opi.mt.gov/bills/mca/69/12/69-12-201.htm) et seq. MCA

Summary:

Loans subsidized by tax-exempt bonds issued by the Montana Agricultural Loan Authority may be used for the production of energy using an alternative renewable energy source. The program is run through existing private agricultural lenders. The intent is to provide lower interest (1-2 percent below market) loans up to \$477,000 to eligible beginning ag operators. To meet IRS regulations, the energy generated must be used within the agricultural operation.

Contact:

[Department of Agriculture \(mailto:agr@mt.gov\)](mailto:agr@mt.gov), 406-444-5420



Programs Through Utilities

Topic: Small Power Production Facilities ("Qualifying Facilities")

Citation: [69-3-601 \(http://data.opi.mt.gov/bills/mca_toc/69_3_6.htm\)](http://data.opi.mt.gov/bills/mca_toc/69_3_6.htm) et seq. MCA

Summary:

The Public Service Commission sets special rates at which NorthWestern Energy or Montana-Dakota Utilities must offer facilities that either 1) use renewable resources or waste materials or 2) cogenerate. Flathead Electric Coop is the that must offer QF contracts. It is regulated directly by FERC.

The nameplate capacity of eligible facilities can be no more than 80 MW according to federal legislation. The rates must comply with the federal Public Utility Regulatory Policies Act (PURPA). The PSC requires QFs larger than 10 MW to obtain a long-term contract. Between solicitations, QFs larger than 10 MW can sell to the utility at a tariffed rate.

NWE is the only Montana utility with QFs; its tariffs are available on its [website \(http://www.northwesternenergy.com/Page=Montana_Rate_Schedules&Item=104\)](http://www.northwesternenergy.com/Page=Montana_Rate_Schedules&Item=104).

The 2003 Legislature passed HB417, which repeals all Montana mini-PURPA, contingent on repeal of federal PURPA. No action or agreement made prior to the repeal.

Contact: [Frank Bennett \(mailto:frank.bennett@northwestern.com\)](mailto:frank.bennett@northwestern.com), NorthWestern Energy, 406-497-2536 ; [Darcy Neigum \(javascript:void\(location.href='mailto:'+String.fromCharCode\(100,97,114,99,121,46,110,101,105,103,117,109,64,117,77,57\);Utility_Division,Public_Service_Commission,406-444-6199.](mailto:darcy.neigum@montana.gov)

Topic: Consumer protection

Citation: [69-3-1404\(2\) \(http://data.opi.mt.gov/bills/mca/69/3/69-3-1404.htm\)](http://data.opi.mt.gov/bills/mca/69/3/69-3-1404.htm) MCA

Summary:

The Public Service Commission has the authority to regulate abusive practices by suppliers and others. The PSC requires suppliers to substantiate any claims that their natural gas is from renewable resources. (See [ARM 38.5.6010 \(http://www.mtrules.org/gateway/ruleno.asp?RN=38.5.6010\)](http://www.mtrules.org/gateway/ruleno.asp?RN=38.5.6010) Claims Made In Marketing Natural Gas.)

Contact:

Utility Division, Public Service Commission, 406-444-6199.

Topic: Renewable Portfolio Standard

Citation: [69-3-2001 \(http://data.opi.mt.gov/bills/mca/69/3/69-3-2001.htm\)](http://data.opi.mt.gov/bills/mca/69/3/69-3-2001.htm) et seq. MCA

Summary:

NorthWestern and MDU must procure supplies for a minimum of 5% of their retail sales of electrical energy in Montana and 2014, and 15% starting January 1, 2015. Starting in 2012, a portion of their RPS requirement must be met with energy credits created by an eligible renewable resource purchased separately from the associated electricity may

A cooperative utility with 5,000 or more customers is responsible for implementing and enforcing its own renewable energy program to encourage new renewable energy production and rural economic development.

The RPS also applies to competitive electricity suppliers, defined as any supplier other than a public utility or a cogeneration plant that has an average monthly demand of less than 5,000 kilowatts.

Contact: [Frank Bennett \(javascript:void\(location.href='mailto:'+String.fromCharCode\(70,114,97,110,107,46,66,101,110,110,101,116,116,64,117,77,57\);NorthWestern_Energy,406-497-2536;Darcy_Neigum,Utility_Division,Public_Service_Commission,406-444-619;local_offices_of_the_larger_cooperatives.](mailto:frank.bennett@northwestern.com)

Topic: Retail Green Power

Citation: [69-8-210\(2\) \(http://data.opi.mt.gov/bills/mca/69/8/69-8-210.htm\)](http://data.opi.mt.gov/bills/mca/69/8/69-8-210.htm) MCA

Summary:

NorthWestern Energy must offer customers an opportunity to purchase a separately marketed (and possibly differently priced) product composed of power from biomass, wind, solar or geothermal resources. The PSC ensures that these resources have been certified as meeting industry-accepted standards.

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| Summary: | All branches of state government and state institutions of higher education owning or operating a motor vehicle capable of burning ethanol-blended fuel shall take all reasonable steps to ensure that those vehicles use ethanol-blended fuel if that fuel is commercially available and competitively priced. |
| Contact: | Individual agencies and institutions. |
| Topic: | Property tax exemption for ethanol production facilities and canola seed oil processing facilities |
| Citation: | 15-6-220 (http://data.opi.mt.gov/bills/mca/15/6/15-6-220.htm) MCA |
| Summary: | All manufacturing machinery, fixtures, equipment, and tools used for the production of ethanol from grain during the course of the construction of an ethanol manufacturing facility and for 10 years after initial production of ethanol from the facility are exempt from property taxes. Machinery and equipment used in a canola seed oil processing facility are exempt from property taxes. |
| Contact: | State property tax exemption forms (DEQ) are available at the Department of Revenue's county office. |
| Topic: | Income tax credit for alternative fuel motor vehicle conversion |
| Citation: | 15-30-2320 (http://data.opi.mt.gov/bills/mca/15/30/15-30-2320.htm) MCA |
| Summary: | An individual or business is allowed a state income tax credit for equipment and labor costs incurred to convert a motor vehicle licensed in Montana to operate on alternative fuel. The maximum credit that may be claimed in a year is up to 50% of the equipment and labor costs incurred but no more than \$500 for conversion of a vehicle with a gross weight of 10,000 pounds or less or \$1,000 for heavier vehicles. "Alternative fuel" means natural gas, liquefied petroleum gas, liquefied natural gas, hydrogen, electricity or any other fuel if at least 85% of the fuel is methanol, ethanol or other alcohol, ether, or any combination of them. The credit allowed under this section may not exceed the taxpayer's income tax liability and there is no carryback or carryforward of the credit. |
| Contact: | Department of Revenue, 406-444-6900; use state tax form AFCR (http://svc.mt.gov/dor/taxform/formlist.aspx?CategoryId=1) for individuals or for businesses. |
| Topic: | Oilseed crush facility tax credit |
| Citation: | 15-32-701 (http://data.opi.mt.gov/bills/mca/15/32/15-32-701.htm) MCA |
| Summary: | There is a credit against Montana income tax for the costs of investments in depreciable property in Montana used to crush oilseed crops primarily for purposes of biodiesel or biolubricant production. Fifteen percent of the cost of the property, up to a total of \$500,000, may be claimed as a credit, for projects that begin operating before January 1, 2015. The credit may be carried forward seven years and is subject to recapture if the facility ceases operation within five years of claiming the credit. |
| Contact: | Department of Revenue, 406-444-6900; use state tax form OSC (http://svc.mt.gov/dor/taxform/formlist.aspx?CategoryId=1) for individuals or for businesses. |
| Topic: | Biodiesel production facility tax credit |
| Citation: | 15-32-702 (http://data.opi.mt.gov/bills/mca/15/32/15-32-702.htm) MCA |
| Summary: | There is a credit against Montana income tax for costs of investments in depreciable property for constructing or equipping a facility in Montana to produce biodiesel or biolubricants. Fifteen percent of the cost of the depreciable property may be claimed as a credit, for projects that begin operating before January 1, 2015. The credit may be carried forward seven years and is subject to recapture if the facility ceases operation within five years of claiming the credit. |
| Contact: | Department of Revenue, 406-444-6900; use state tax form OSC (http://svc.mt.gov/dor/taxform/formlist.aspx?CategoryId=1) for individuals or for businesses. |
| Topic: | Biodiesel blending and storage tax credit |
| Citation: | 15-32-703 (http://data.opi.mt.gov/bills/mca/15/32/15-32-703.htm) MCA |
| Summary: | There is a credit against Montana income tax for costs of investments in depreciable property for the storage and blending of biodiesel from Montana-produced ingredients with petroleum diesel. Fifteen percent of the cost of the property, up to a total of \$52,500 for distributors and \$7,500 for the owner or operator of a retail outlet, may be claimed as a credit. The credit may be claimed any year that blending biodiesel occurs. |

credit. The credit may be claimed any year that blending biodiesel occurs or in the two tax years prior to when blending occurs. The credit may be carried forward seven years and is subject to recapture if the facility ceases operation within five years of claiming the credit.

Contact: Department of Revenue, 406-444-6900; use state tax form [BBSC \(http://svc.mt.gov/dor/taxform/formlist.aspx?CategoryId=1\)](http://svc.mt.gov/dor/taxform/formlist.aspx?CategoryId=1) for individuals and businesses.

Topic: **Gasoline tax refund for alcohol distributors**

Citation: [15-70-221 \(http://data.opi.mt.gov/bills/mca/15/70/15-70-221.htm\)](http://data.opi.mt.gov/bills/mca/15/70/15-70-221.htm) MCA

Summary: Any alcohol distributor who, for the purpose of denaturing alcohol distilled in Montana or for any commercial use other than operating vehicles upon any of Montana's public highways or streets, purchases gasoline on which the Montana gasoline tax has been paid is entitled to a refund of the tax paid.

Contact: Department of Transportation, 406-444-7672.

Topic: **Special fuels tax exemption for certain biodiesel**

Citation: [15-70-320 \(http://data.opi.mt.gov/bills/mca/15/70/15-70-320.htm\)](http://data.opi.mt.gov/bills/mca/15/70/15-70-320.htm) MCA

Summary: Up to 2,500 gallons annually of biodiesel fuel from waste vegetable oil feedstock used for the operation of motor vehicles on public roads and highways is exempt from the special fuels tax, if the producer owns or controls those vehicles.

Contact: Department of Transportation, 406-444-7672.

Topic: **Refund for fuel taxes paid on biodiesel**

Citation: [15-70-369 \(http://data.opi.mt.gov/bills/mca/15/70/15-70-369.htm\)](http://data.opi.mt.gov/bills/mca/15/70/15-70-369.htm) MCA

Summary: A distributor may claim a refund equal to 2 cents a gallon on the fuel tax on biodiesel made entirely from ingredients produced in Montana. The owner or operator of a retail motor fuel outlet may claim a refund equal to 1 cent a gallon.

Contact: Department of Transportation, 406-444-7672; use the [refund form \(http://www.mdt.mt.gov/publications/docs/forms/fuel_tax/distributor_biodiesel_refund.pdf\)](http://www.mdt.mt.gov/publications/docs/forms/fuel_tax/distributor_biodiesel_refund.pdf)

Topic: **Tax incentive for production of alcohol**

Citation: [15-70-522 \(http://data.opi.mt.gov/bills/mca/15/70/15-70-522.htm\)](http://data.opi.mt.gov/bills/mca/15/70/15-70-522.htm) MCA

Summary: There is a 20 cents a gallon tax incentive for alcohol produced in Montana from 100 percent Montana agricultural products, including Montana wood or wood products. The amount of the incentive is reduced proportionately if agricultural or wood products not from Montana are used in the production of the alcohol. Total payments of the incentive can't exceed \$6 million in any consecutive 12-month period. An individual alcohol distributor can't receive incentive payments exceeding \$2 million in any consecutive 12-month period. These benefits are available for the first six years of production. To receive the incentive payments, an alcohol distributor must provide a written plan to the Department of Transportation at least 24 months before the anticipated collection of the incentives.

Contact: Department of Transportation, 406-444-7672.

Topic: **Ethanol requirement for gasoline sold in Montana**

Citation: [82-15-121 \(http://data.opi.mt.gov/bills/mca/82/15/82-15-121.htm\)](http://data.opi.mt.gov/bills/mca/82/15/82-15-121.htm) MCA

Summary: Once the state of Montana has produced 40 million gallons of denatured ethanol and has maintained that level of production on an annualized basis for at least 3 months, all gasoline sold to consumers for use in vehicles to be operated on public roads must be blended with 10%, by volume, of agriculturally derived, denatured ethanol and may not contain more than trace amounts of the additive methyl tertiary butyl ether. If the production of denatured ethanol drops below 20 million gallons on an annualized basis, this provision does not apply.

Contact: Department of Transportation, 406-444-7672.