4	LMONTANA					MONTANA AEPC	3
5	▲ Department of					Rev 08 19	5
6	L REVENUE	2019 Alternative Energy	Producti	on Crodi	4		6
7	- North	2019 Alternative Energy	Producti	on Crear	L		8
9		15-32-401 through 15	-32-407, MCA				9
10	Name (as it appears on y	our Montana tay return					7 10
11	Iname (as it appears on y	our montana tax returny					111
12							12
13	Social Security	OR	Federal En				13
14	Number		Identification	on Number			14
15			The second secon			15	
16		<u> </u>	Then you need to complete:			16	
17		If you are:	Part I	Part II	Part II	I Part IV	17
18	Before you begin,	Receiving the credit from a					18
19	review this chart	partnership or S corporation			X		19
20	to determine	An individual	X	X		X	20
21	which parts of this	A C corporation	Х	Х		X	21 22
22 23	form you need to	•	X	X		*	23
23 24	complete.	A partnership		^			24
24 25		An S corporation	X	X		*	25
26		* A partnership or S corporation with inc				ng sources has to	26
27		complete the Income Allocation Works	heet, lines 18 th	rrough 24, in F	Part IV.		27
28							_ 28
29	Part I. Qualifications (C	corporations, S corporations, partne	ships, and in	dividuals)			29
30							30
31		uestions 1 and 2 in order to qualify for t					3
32		000 investment in depreciable property t					32
33		m located in Montana that generates er	ergy by mean	s of an			33
34	alternative renewable	energy source.			☐ Yes	□ No	34
35	2. I have taxes due as	consequence of taxable or net income	produced by a	at least			35 36
36 37		mark whichever applies to you):	-		☐ Yes	□ No	37
38		ant(s) located in Montana that produces	alternative on	ardy denote	ting equips	nent: or	38
39							39
40		cility or the expanded portion of an exist					4(
41	1 1 1 1 1 9 1 1 1 1 9 1 1 7	ment supplies on a direct contract sales	basis, the bas	sic energy ne	eded for the	ne facility (include	4
42	a copy of the cor	tract); or					42
43	☐ The alternative e	nergy generating equipment in which the	investment for	r which a cre	dit is being	claimed was made	. 43
44							44
45	Part II Crodit Calculation	n (C corporations, S corporations, pa	rtnerships	nd individue	ale)		45
46			ruiersiiips, a	na maividu	213)		46
47	Provide the location of yo	ur alternative energy producing assets_					A
48	2 Enter the constant of	Jour Maible differential on a service and	nt invoctor and				47
49		your eligible alternative energy equipme	rii investment		3	 	48
50		any grants you received			4	-	48
[N]	5. Subtract line 4 from	ine 3			5	<u> </u>	48 49 50
_	J. Capitact into 4 hom	<u> </u>		1 1 1 1 1 1 1 1			48 49 50
52	6. Multiply line 5 by 35	6 (U.35)			6	.	48 49 50 51 52
52	6. Multiply line 5 by 35°		orward amount	from previou			- 48 - 49 - 50 - 52 - 53
52 53 54	6. Multiply line 5 by 357. Enter any remaining	lternative energy production credit carryfo			s years 7		- 48 49 50 52 - 52 - 53
52 53 54 55	6. Multiply line 5 by 357. Enter any remaining8. Add lines 6 and 7, a	lternative energy production credit carryfo nd enter the result here. This is your tota			s years 7	-	48 49 50 52 52 53 54 55 55
52 53 54 55 56	6. Multiply line 5 by 357. Enter any remaining8. Add lines 6 and 7, a	lternative energy production credit carryfo			s years 7	-	48 49 50 52 52 52 54 55 55 55
52 53 54 55 56 57	6. Multiply line 5 by 357. Enter any remaining8. Add lines 6 and 7, a	lternative energy production credit carryfo nd enter the result here. This is your tota			s years 7	-	48 49 50 52 52 53 54 55 56
52 53 54 55 56 57 58	6. Multiply line 5 by 357. Enter any remaining8. Add lines 6 and 7, a	lternative energy production credit carryfo nd enter the result here. This is your tota			s years 7	-	48 49 50 51 51 52 52 54 55 56 57
52 53 54 55 56 57 58 59	6. Multiply line 5 by 357. Enter any remaining8. Add lines 6 and 7, a	lternative energy production credit carryfo nd enter the result here. This is your tota			s years 7	-	48 49 50 51 52 53 54 55 56 57 58
52 53 54 55 56 57 58 59	6. Multiply line 5 by 357. Enter any remaining8. Add lines 6 and 7, a	lternative energy production credit carryfo nd enter the result here. This is your tota			s years 7	-	47 48 49 50 51 52 53 54 55 56 57 58 59 60 61
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51 52 53 54 55 56 57 58 60 61 62 63 64	6. Multiply line 5 by 357. Enter any remaining8. Add lines 6 and 7, a	lternative energy production credit carryfo nd enter the result here. This is your tota			s years 7	-	48 49 50 51 52 53 54 55 56 56 58

1 2 3 4	5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55			J J J J J J J J J J J J J J J J J J J
3				3
4				4
5	Form AEPC, Page 2 - 2019 SSN	N -		5
6				_ 6
7	Part III. Credit Calculation (Partners in a partnership and shareholders of an	S corporation)		7
8				8
9	Business name of Partnership or \$ corporation		<u> </u>	9
10	Endard Employer Identification Number			10
11	Federal Employer Identification Number			11
12	Enter your portion of your Montana alternative energy production credit	9		12
13			1	- 13
14	10. Enter any remaining alternative energy production credit carryforward amount from		•	14
15	11. Add lines 9 and 10, and enter the result here. This is your total alternative en			15
16	credit for 2019 before limitation. Continue to Part IV	11		16
17	Part IV. Credit Limitation (C corporations, individuals, partners in a partnership,	and shareholders o	f an S corporation)	17
18			rain o corporation,	10
19	12. Enter the net income attributable to eligible alternative energy equipment. If t	he alternative energy		19
20	production income is part of a business with both qualifying and nonqualifying			20
21	the Income Allocation Worksheet below must be used to calculate the amount	nt for this line 12		21
22	13. Enter your Montana taxable income (see instructions)	13		22
23				23
24	14. Divide line 12 by line 13. Do not enter more than 1.0000	14	 	24
25	15. Enter the total tax as shown on your return (see instructions)	15		25
26 27	16. Multiply line 14 by line 15. This is the maximum alternative energy product cr	edit you are		26
	allowed for 2019	16	• 1	27
28 29	17. Enter here, and on your return, the smaller of either line 16 or line 8 from Par	t II: or the		- 28 29
30	smaller of either line 16 and line 11 from Part III (depending on which Part yo			30
31	to complete). This is your alternative energy production credit for 2019.	17		31
32			 	32
33	Income Allocation Worksheet			33
34			c. Factor (b)	34
		b. Montana		
35	I I I I I I I I I I I I I I I I I I I		divided by	35
35 36	a. Total Factors	Factors	divided by (a)=(c)	35 36
36		Factors	(a)=(c)	36
36 37	18. Business property Alternative energy related property	Factors 18	(a)=(c)	36 37
36 37 38		Factors	(a)=(c)	36 37 38
36 37	18. Business property Alternative energy related property	Factors 18	(a)=(c)	36 37
36 37 38 39	18. Business property 19. Business payroll 20. Business sales Alternative energy related payroll Alternative energy related sales	Factors 18 19 20	(a)=(c)	36 37 - 38 - 39
36 37 38 39 40 41	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 Alternative energy related payroll Alternative energy related sales 21. Enter the sum of the factors from lines 18, 19, and 20	Factors 18 19 20 21	(a)=(c)	36 37 38 39 40
36 37 38 39 40	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and	Factors 18 19 20 21 22 22	(a)=(c)	36 37 38 39 40 41
36 37 38 39 40 41 42 43	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions)	Factors 18 19 20 21 120 23	(a)=(c)	36 37 38 39 40 41 42 43 44
36 37 38 39 40 41 42 43	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net income	Factors 18 19 20 21 22 23 23 25 25 25 25 25 25 25 25 25 25 25 25 25	(a)=(c)	36 37 38 39 40 41 42 43
36 37 38 39 40 41 42 43	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions)	Factors 18 19 20 21 120 23	(a)=(c)	36 37 38 39 40 41 42 43 44
36 37 38 39 40 41 42 43 44 45 46 47	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net income of eligible alternative energy equipment	Factors 18 19 20 21 22 23 23 25 25 25 25 25 25 25 25 25 25 25 25 25	(a)=(c)	36 37 38 39 40 41 42 43 44 45 46 47
36 37 38 39 40 41 42 43 44 45 46 47 48	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net inco to eligible alternative energy equipment C corporations and individuals. Enter this amount on line 12 of Part IV.	Factors 18 19 20 21 22 23 23 24 24	(a)=(c)	36 37 38 39 40 41 42 43 44 45 46 47 48
36 37 38 39 40 41 42 43 44 45 46 47 48	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net inco to eligible alternative energy equipment C corporations and individuals. Enter this amount on line 12 of Part IV. S corporations and partnerships. Each owner's distributive share of this and	Factors 18 19 20 21 22 23 23 24 24	(a)=(c)	36 37 38 39 40 41 42 43 44 45 46 47 48 49
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net inco to eligible alternative energy equipment C corporations and individuals. Enter this amount on line 12 of Part IV.	Factors 18 19 20 21 22 23 23 24 24	(a)=(c)	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net inco to eligible alternative energy equipment C corporations and individuals. Enter this amount on line 12 of Part IV. S corporations and partnerships. Each owner's distributive share of this an Schedule K-1. Do not complete lines 12 through 17 of Part IV.	Factors 18 19 20 21 22 23 23 24 24	(a)=(c)	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net inco to eligible alternative energy equipment • C corporations and individuals. Enter this amount on line 12 of Part IV. • S corporations and partnerships. Each owner's distributive share of this at Schedule K-1. Do not complete lines 12 through 17 of Part IV. Where to Report Your Credit	Factors 18 19 20 21 120 22 23 23 24 mount should be rep	orted on Montana	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net inco to eligible alternative energy equipment • C corporations and individuals. Enter this amount on line 12 of Part IV. • S corporations and partnerships. Each owner's distributive share of this at Schedule K-1. Do not complete lines 12 through 17 of Part IV. Where to Report Your Credit	Factors 18 19 20 21 22 23 23 24 24	orted on Montana	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net income of eligible alternative energy equipment • C corporations and individuals. Enter this amount on line 12 of Part IV. • S corporations and partnerships. Each owner's distributive share of this at Schedule K-1. Do not complete lines 12 through 17 of Part IV. Where to Report Your Credit ▶ Individuals: Form 2, Nonrefundable Credits Schedule ▶ S corporations	Factors 18 19 20 21 120 22 23 23 24 mount should be rep	orted on Montana	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net income of eligible alternative energy equipment • C corporations and individuals. Enter this amount on line 12 of Part IV. • S corporations and partnerships. Each owner's distributive share of this at Schedule K-1. Do not complete lines 12 through 17 of Part IV. Where to Report Your Credit ▶ Individuals: Form 2, Nonrefundable Credits Schedule ▶ S corporations	Factors 18 19 20 21 320 22 23 23 24 24 24 25 26 26 27 28 29 29 20 20 21 20 20 21 20 20 20 20 20 20 20 20 20 20 20 20 20	orted on Montana	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net income of eligible alternative energy equipment • C corporations and individuals. Enter this amount on line 12 of Part IV. • S corporations and partnerships. Each owner's distributive share of this at Schedule K-1. Do not complete lines 12 through 17 of Part IV. Where to Report Your Credit ▶ Individuals: Form 2, Nonrefundable Credits Schedule ▶ S corporations	Factors 18 19 20 21 320 22 23 23 24 24 24 25 26 26 27 28 29 29 20 20 21 20 20 21 20 20 20 20 20 20 20 20 20 20 20 20 20	orted on Montana	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net income of eligible alternative energy equipment • C corporations and individuals. Enter this amount on line 12 of Part IV. • S corporations and partnerships. Each owner's distributive share of this at Schedule K-1. Do not complete lines 12 through 17 of Part IV. Where to Report Your Credit ▶ Individuals: Form 2, Nonrefundable Credits Schedule ▶ S corporations	Factors 18 19 20 21 320 22 23 23 24 24 24 25 26 26 27 28 29 29 20 20 21 20 20 21 20 20 20 20 20 20 20 20 20 20 20 20 20	orted on Montana	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net income to eligible alternative energy equipment • C corporations and individuals. Enter this amount on line 12 of Part IV. • S corporations and partnerships. Each owner's distributive share of this at Schedule K-1. Do not complete lines 12 through 17 of Part IV. Where to Report Your Credit ▶ Individuals: Form 2, Nonrefundable Credits Schedule ▶ S corporations: Form CIT, Schedule C ▶ Partnerships:	Factors 18 19 20 21 120 22 23 23 24 24 24 25 26 26 27 27 28 28 29 29 20 20 20 20 20 21 20 20 20 20 20 20 20 20 20 20 20 20 20	orted on Montana	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net inco to eligible alternative energy equipment • C corporations and individuals. Enter this amount on line 12 of Part IV. • S corporations and partnerships. Each owner's distributive share of this as Schedule K-1. Do not complete lines 12 through 17 of Part IV. Where to Report Your Credit ▶ Individuals: Form 2, Nonrefundable Credits Schedule ▶ S corporations: Form CIT, Schedule C If you file your Montana tax return electronically, you do not need to mail this form to us unless we	Factors 18 19 20 21 120 22 23 23 24 24 24 25 26 26 27 27 28 29 28 29 29 20 20 20 20 20 20 20 20 20 20 20 20 20	orted on Montana ule II an you file electronically,	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59
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36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net inco to eligible alternative energy equipment • C corporations and individuals. Enter this amount on line 12 of Part IV. • S corporations and partnerships. Each owner's distributive share of this as Schedule K-1. Do not complete lines 12 through 17 of Part IV. Where to Report Your Credit ▶ Individuals: Form 2, Nonrefundable Credits Schedule ▶ S corporations: Form CIT, Schedule C If you file your Montana tax return electronically, you do not need to mail this form to us unless we	Factors 18 19 20 21 120 22 23 23 24 24 24 25 26 26 27 27 28 29 28 29 29 20 20 20 20 20 20 20 20 20 20 20 20 20	orted on Montana ule II an you file electronically,	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net inco to eligible alternative energy equipment • C corporations and individuals. Enter this amount on line 12 of Part IV. • S corporations and partnerships. Each owner's distributive share of this as Schedule K-1. Do not complete lines 12 through 17 of Part IV. Where to Report Your Credit ▶ Individuals: Form 2, Nonrefundable Credits Schedule ▶ S corporations: Form CIT, Schedule C If you file your Montana tax return electronically, you do not need to mail this form to us unless we	Factors 18 19 20 21 120 22 23 23 24 24 24 25 26 26 27 27 28 29 28 29 29 20 20 20 20 20 20 20 20 20 20 20 20 20	orted on Montana ule II an you file electronically,	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net inco to eligible alternative energy equipment • C corporations and individuals. Enter this amount on line 12 of Part IV. • S corporations and partnerships. Each owner's distributive share of this as Schedule K-1. Do not complete lines 12 through 17 of Part IV. Where to Report Your Credit ▶ Individuals: Form 2, Nonrefundable Credits Schedule ▶ S corporations: Form CIT, Schedule C If you file your Montana tax return electronically, you do not need to mail this form to us unless we	Factors 18 19 20 21 120 22 23 23 24 24 24 25 26 26 27 27 28 29 28 29 29 20 20 20 20 20 20 20 20 20 20 20 20 20	orted on Montana ule II an you file electronically,	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net inco to eligible alternative energy equipment C corporations and individuals. Enter this amount on line 12 of Part IV. S corporations and partnerships. Each owner's distributive share of this as Schedule K-1. Do not complete lines 12 through 17 of Part IV. Where to Report Your Credit Individuals: Form 2, Nonrefundable Credits Schedule C corporations: Form CIT, Schedule C If you file your Montana tax return electronically, you do not need to mail this form to us unless we you represent that you have retained the required documents in your tax records and will provide	Factors 18 19 20 21 320	orted on Montana ule II en you file electronically, ent's request.	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64
36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64	18. Business property 19. Business payroll 20. Business sales 21. Enter the sum of the factors from lines 18, 19, and 20 22. Divide line 21 by the number of factors entered in column a, lines 18, 19, and 23. Enter the net income of the business (see instructions) 24. Multiply the amount on line 23 by the amount on line 22. This is your net inco to eligible alternative energy equipment • C corporations and individuals. Enter this amount on line 12 of Part IV. • S corporations and partnerships. Each owner's distributive share of this as Schedule K-1. Do not complete lines 12 through 17 of Part IV. Where to Report Your Credit ▶ Individuals: Form 2, Nonrefundable Credits Schedule ▶ S corporations: Form CIT, Schedule C If you file your Montana tax return electronically, you do not need to mail this form to us unless we	Factors 18 19 20 21 320	orted on Montana ule II en you file electronically, ent's request.	36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64

Form AEPC Instructions

What is the purpose of the Alternative Energy Production Credit?

The purpose of the Alternative Energy Production Credit is to encourage the development of the alternative energy industry in Montana without adversely affecting tax revenues. Because of the alternative energy potential in Montana, it is desirable to encourage alternative energy generation for the purpose of attracting alternative energy manufacturing industries to Montana. It is also desirable for a new or expanded industry to secure alternatively generated electricity on a direct contract sales basis without adversely affecting rates charged to other electricity users.

Am I eligible for other state energy incentives on my investment if I am claiming this credit?

If you claim this credit, you cannot claim any other state energy credit or state investment tax credit for this investment. In addition, you cannot claim the property tax exemption for nonfossil energy property, allowed under 15-6-224, MCA, for the same property used to generate this credit.

Which parts of Form AEPC do I have to complete?

	Then you need to complete:				
If you are:	Part I	Part II	Part III	Part IV	
Receiving the credit from a partnership or S corporation			Х	Х	
An individual	Х	Х		Х	
A C corporation	Х	Х		Х	
A partnership	Х	Х		*	
An S corporation	Х	Х		*	

^{*} A partnership or S corporation with income from both qualifying and nonqualifying sources has to complete the Income Allocation Worksheet, lines 18 through 24, in Part IV.

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

Individuals. If you are filing a paper return, include a copy of Form AEPC with your individual income tax return.

C corporations. If you are filing a paper return, include a copy of Form AEPC with your corporate income tax return.

S corporations and partnerships. If you are filing a paper return, include Form AEPC with your Montana information return Form PTE and include a separate statement identifying each owner and their proportionate share.

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

If you file electronically, you do not need to mail this form to us unless we contact you for a copy.

Part I. Qualifications

In order to qualify for this credit, you must have made at least a \$5,000 investment in depreciable property that is a commercial or net metering system located in Montana that generates energy by means of an alternative renewable energy source, as defined in 15-6-225(2)(a), MCA, and includes hydroelectric generators that produce 1 megawatt or more and are installed on dams that otherwise do not produce power. You must also have taxes due as a consequence of taxable or net income produced by one of the following:

- manufacturing plants located in Montana that produce alternative energy generating equipment;
- a new business facility or the expanded portion of an existing business facility for which the alternative energy generating equipment supplies, on a direct contract sales basis, the basic energy needed for the facility (please include a copy of the contract); or
- the alternative energy generating equipment in which the investment for which a credit is being claimed was made.

If you do not meet these qualifications, you do not qualify for this credit.

Part II. Credit Calculation

(This part is completed only by C corporations, S corporations, partnerships, and individuals. Do not complete this part if you are receiving the credit from a pass-through entity – skip to Part III.)

Line 3 – Enter the amount of your eligible costs related to the alternative energy equipment investment. Eligible costs include only those costs that are associated with the purchase, installation, or upgrade of:

- generating equipment,
- safety devices and storage components,
- transmission lines that are necessary to connect with existing transmission facilities, and
- transmission lines that are necessary to connect directly to the purchaser of the electricity when no other transmission facilities are available.

Line 4 – Enter the amount of any grants you received that were provided by the state or federal government for the system.

Line 5 – Subtract line 4 from line 3. This is your eligible costs less grants received.

Line 6 – Multiply line 5 by 35% (0.35). Your alternative energy production credit is equal to 35% of your eligible costs. The amount you can take in the current year may be limited as calculated in Part IV.

Line 7 – Enter any alternative energy production credit that you are carrying forward from previous years.

Line 8 – Add lines 6 and 7. This is your alternative energy production credit for the current year.

Part III. Credit Calculation

(This part is completed only by partners in a partnership and shareholders of an S corporation.)

In the space provided, enter the business name and Federal Employer Identification Number of the partnership or S corporation that you are receiving the credit from.

Line 9 – Enter your portion of the alternative energy production credit. You can find this amount on the Montana Schedule K-1 you received from the entity.

Line 10 – Enter any alternative energy production credit that you are carrying forward from previous year.

Line 11 – Add lines 9 and 10. This is your total alternative energy production credit before limitation. Continue to Part IV to determine if there is a limitation on your alternative energy production credit in 2019.

Part IV. Credit Limitation

Line 12 – Enter the net income attributable to eligible alternative energy equipment. For individuals, this amount should not include any exemptions or deductions.

If a portion of your business's taxable or net income qualifies for this credit and a portion does not qualify, you must prorate your income and associated taxes that qualify for this credit by using the three-factor formula provided in <u>15-31-305</u>, MCA. The Income Allocation Worksheet is provided at the bottom of the form for your convenience.

Line 13 – Enter your Montana taxable income.

Individuals. Enter the amount from Form 2, line 14; or

C corporations. Enter the amount from Form CIT, line 7.

Line 14 – Divide line 12 by line 13. Carry the amount to four decimal places and do not enter more than 1.0000.

Line 15 - Enter the total tax from your return.

Individuals. Enter the amount from Form 2, line 15; or **C corporations.** Enter the amount from Form CIT, line 10.

Line 16 – Multiply line 14 by line 15 to calculate the maximum amount of alternative energy production credit you can claim this year.

Your credit is applied only against taxes due as a consequence of taxable or net income produced by one of the following:

- a manufacturing plant that is located in Montana and that produces alternative energy generating equipment;
- a new business facility or the expanded portion of an existing business facility for which the alternative energy generating equipment supplies, on a direct contract sales basis, the basic energy needed; or
- the alternative energy generating equipment in which the investment was made.

Line 17 - If you completed:

- Part II, enter the smaller of the amount from line 16 and line 8 from Part II.
- Part III, enter the smaller of the amount from line 16 and line 11 from Part III.

If the amount you calculated on line 16 is larger than the amount on line 8 from Part II or line 11 from Part III (depending on which Part you were required to complete), your credit is limited in the current year.

If the credit is not fully used against your tax liability in the year the assets are placed in service, you can carry forward any unused portion of your tax credit up to seven years. You can carry forward up to 15 years if:

- You invest in a 5 megawatt or larger commercial system located within the exterior boundaries of a Montana Indian reservation; and
- You sign an employment agreement with the tribal government of the reservation where the commercial system would be constructed regarding the training and employment of tribal members in the construction, operation and maintenance of the commercial system.

Income Allocation Worksheet

Lines 18, 19, and 20 – If you are a C corporation and have filed a combined return, the amount you enter in the Total Factors column should equal the total values from Column A of Form CIT, Schedule K.

Line 23 – Enter the total net income of the business. For C corporations, enter the amount on line 7 of the CIT.

Line 24 – Multiply the amount on line 23 by the amount on line 22. This is your net income attributable to eligible alternative energy equipment. If you are:

- An individual, enter this amount on line 12 of Part IV.
- A C corporation, enter this amount on line 12 of Part IV.
- An S corporation or partnership, report each owner's distributive share of this amount to them on Montana Schedule K-1. Do not complete lines 12 through 17 of Part IV.

Administrative Rules of Montana: 42.4.4101, 42.4.4106, 42.4.4107, 42.4.4109, 42.4.4112

Questions? Please call us at (406) 444-6900, or Montana Relay at 711 for hearing impaired.