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Biofuels Statutory Citations

State of Montana

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STATE OF MONTANA

This compilation of state statutory citations focuses predominantly on biofuels laws in effect January 1, 1970 through December 31, 2007. In some instances, regulations have been included in the compilation due to their significance. This compilation is intended to serve as a researcher-friendly inventory of state laws by providing the formal title of relevant legislation, the standard legal citation for each statute and a brief description of the law. Some statutes and regulations listed do not specifically relate to biofuels, but are included because of their complementary relationship to the evolution of biofuels law in the state. These statutes are placed in reverse chronological order using the date of the most recent amendment to the statute. Many biofuels laws were enacted as amendments to previously passed laws.

Title	Citation	Applicability	Description
Energy production or development -- tax abatement -- eligibility (2007)	MONT. CODE ANN. § 15-24-3111	Both	50% tax abatement given to biodiesel and ethanol facilities. The abatement is on the first \$1 million in value for the qualifying period of 15 years after the plant begins operation. There is no abatement for any value after the first \$1 million.
Class fourteen property -- description -- taxable percentage (2007)	MONT. CODE ANN. § 15-6-157	Both	For biodiesel and ethanol facilities that begin production after June 1, 2007, are in class fourteen property. Taxed at 3% of market value.
Class fifteen property -- description -- taxable percentage (2007)	MONT. CODE ANN. § 15-6-158	Both	Pipelines used to transport biodiesel and ethanol are in this property class. Taxed at 3% of market value
Definitions (2007)	MONT. CODE ANN. § 15-24-3102	Both	Defines biodiesel, biodiesel production facility, ethanol, and ethanol production facility. Used in some of the classes of property.
Biodiesel blending and storage tax credit -- recapture -- report to interim committee (2007)	MONT. CODE ANN. § 15-32-703	Biodiesel	Receive tax credits of 15% of the investment, for distributors it is limited to \$52,500 and for fuel outlet operators it is \$7,500.

Oilseed crush facility -- tax credit (2007)	MONT. CODE ANN. § 15-32-701	Biodiesel	Before 2015, a biodiesel producer can receive a tax credit of 15%, up to \$500,000, for costs incurred two years before production began.
Biodiesel or biolubricant production facility tax credit (2007)	MONT. CODE ANN. § 15-32-702	Biodiesel	Before Jan. 1, 2015, can claim 15% of certain costs incurred before production began on facilities producing biodiesel.
Tax incentive for production of ethanol – rules (2007)	MONT. CODE ANN. § 15-70-522	Ethanol	Montana ethanol producers that use state products to produce ethanol. Get a \$.20/gallon tax credit when use 100% MT products to produce ethanol, and incentive will be reduced proportionately when products from outside state used. Incentive is limited to \$6 million/year and producer can only receive \$2 million/tax year. Incentive is available for the first 6 years from start of production.
Definitions (2007)	MONT. CODE ANN. § 15-70-201	Ethanol	Defines "ethanol" and "ethanol-blended gasoline" for the "Basic Gasoline License Tax".
(Temporary) Gasoline license tax—rate (2007)	MONT. CODE ANN. § 15-70-204	Ethanol	Ethanol blended gasoline is subject to 85% of tax of \$.27/gallon. Act is temporary and terminated when condition in Mont. Code Ann. § 82-15-121 is met.
State vehicles to use ethanol-blended gasoline—definition (2007)	MONT. CODE ANN. § 2-17-414	Ethanol	All branches of state government shall ensure that vehicles that can run on ethanol-blended gasoline should use ethanol-blended gasoline when it is commercially available.

Class five property -- description -- taxable percentages (2007)	MONT. CODE ANN. § 15-6-135	Ethanol	Real property used in ethanol-blended gasoline production is in class five. Taxed at 3% market value.
License and security of gasoline distributors -- denial or revocation of license (2007)	Mont. Code Ann. § 15-70-202	Ethanol	Ethanol blenders need license to blend, if not licensed then must buy preblended gasoline.
Refund or credit authorized (2007)	Mont. Code Ann. § 15-70-221	Ethanol	Purchaser of ethanol-blended gasoline for use in stationary gas engines used off the public roads is allowed a refund of the tax paid on the gasoline.
Ethanol Tax Incentive and Administration Act (2007)	Mont. Code Ann. §§ 15-70-501 through 15-70-527	Ethanol	Creates tax incentives designed to stimulate the growth and development of ethanol production in the state.
Standards and specifications for petroleum products (2005)	MONT. CODE ANN. § 82-15-103	Both	Standards for fuels must be based on nationally recognized standards.
Biodiesel production incentive -- appropriation (2005)	MONT. CODE ANN. § 15-70-601	Biodiesel	For each gallon of biodiesel production increase from the year before, get \$.10/gallon for the increase. Only payable the first three of production, and July 1, 2010 there is no incentive.
Refund for taxes paid on biodiesel by distributor or retailer -- statement -- payment - - appropriation -- records --	MONT. CODE ANN. § 15-70-369	Biodiesel	A licensed distributor who pays the special fuel tax on biodiesel may claim a refund equal to \$0.02 per gallon of biodiesel sold during the

report to interim committee (2005)			previous quarter if the biodiesel is created entirely from biodiesel components produced in Montana. The owner or operator of a retail motor fuel outlet may claim a refund equal to \$0.01 per gallon of biodiesel purchased from a licensed distributor if the biodiesel is created entirely from biodiesel components produced in Montana.
Definitions, Special Fuels Use Tax (2005)	MONT. CODE ANN. § 15-70-301	Biodiesel	Defines biodiesel and biodiesel blend.
License and security of special fuel distributors -- denial or revocation of license -- reissuance fee (2005)	MONT. CODE ANN. § 15-70-341	Biodiesel	Blenders of biodiesel must be licensed with the state, and if not then required to buy biodiesel that the taxes have been paid on.
(Effective on occurrence of contingency) Gasoline license tax --rate (2005)	MONT. CODE ANN. § 15-70-204	Ethanol	Ethanol blended gasoline is subject to 85% of tax of \$.27/gallon. Act becomes effective when condition in Mont. Code Ann. § 82-15-121 is met.
(Temporary) Required use of gasoline blended with ethanol (2005)	MONT. CODE ANN. § 82-15-121	Ethanol	Once state has reached production level of 40 million gallons of denatured ethanol, and maintained this level of production, on an annualized basis, for at least three months, the Dep't of Transp. will set out standards for all gasoline sold in the state to be 10% ethanol blended.
Agricultural processing facilities exemption -- canola -- malting barley -- industrial dairy -- ethanol (2005)	MONT. CODE ANN. § 15-6-220	Ethanol	During the course of construction and then ten years after completion an ethanol plant is exempt from property taxation.
Alternative fuels policy -- implementing guidelines (1995)	MONT. CODE ANN. § 90-4-1011	Both	Encourage the use of alternative fuels in the state.
Credit for alternative fuel motor vehicle conversion (1993)	MONT. CODE ANN. § 15-30-164	Both	Available to any taxpayer, but a seller of alternative fuels who converts own vehicles, who converts vehicle to run on alternative fuel. Receive \$500 for

			vehicle with gross weight of 10,000lbs or less, or \$1,000 for vehicle over 10,000lbs.
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