



## States' Biofuels Statutes

### STATE OF MONTANA

*This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [States' Biofuels Statutory Citations](#).*

*Current through the 2013 Legislative Session of the Montana General Assembly.*

#### **15-70-601. Biodiesel production incentive--appropriation**

(1)(a) There is a tax incentive payable to biodiesel producers for increases in annual production the first 3 years of production. The tax incentive under this section applies to biodiesel upon which the tax has been paid under 15-70-343 by a licensed distributor. For the purposes of this section, the production year is the period from July 1 of the current year to June 30 of the succeeding year.

(b) Payments made by the department are statutorily appropriated, as provided in 17-7-502, from the state general fund.

(2) Except as provided in subsection (3), the tax incentive on each gallon of increased biodiesel production over the previous year, in accordance with subsection (1), is 10 cents a gallon for each gallon of increased production. Beginning July 1, 2010, there is no tax incentive.

(3) The tax incentive in subsection (2) may be claimed for:

(a) the first year's total production;

(b) the production in the second year that exceeds production in the first year; and

(c) the production in the third year that exceeds production in the second year.

(4) After the department has verified production, the department shall begin payments of the biodiesel

tax incentives based on actual production according to the terms of subsection (3).

(5) As used in this section, “biodiesel producer” means a person who engages in the business of producing, refining, or manufacturing in Montana biodiesel for sale, use, or distribution.

(6) The department shall adopt rules necessary to carry out the provisions of this section.

**Credits:** Enacted by Laws 2005, ch. 524, § 3.