FACT SHEET

WYOMING LEGISLATIVE SERVICE OFFICE

Prepared by Matthew Sackett, Senior Research Analyst
October 9, 2009
09FS032

WIND ENERGY TAX INCENTIVES FOR TOP WIND PRODUCING STATES

Table 1, below, displays the wind energy tax incentives for the top 15 wind producing states. The table displays whether a state has some type of incentive for personal income tax, corporate income tax, sales and use tax, and property tax. The type and amount of these incentives may vary widely in scope and value and this memo does not attempt to quantify the impact of the incentive, only if one exists. In general, there does not appear to be any one specific type of incentive that is universally used. This is likely because each state's overall tax structure has evolved over many years with a variety of other exemptions, incentives, and rebates. The tax structure as a whole for each state makes direct comparisons between state tax structures difficult. In addition, not all states impose all the same types of taxes or impose taxes in the same way. See Attachments A through O for more information on the incentives for each category, by state. The summaries in the attachments were provided by the Database of State Incentives for Renewables and Efficiency website but were not independently verified by LSO.

Table 1. Wind Energy Tax Incentives for Top Wind Producing States.

State (In order of Wind Energy Production)	Personal Income Tax Incentive, Rebate, or Exemption	Corporate Income Tax Incentive, Rebate/, or Exemption	Sales and Use Tax Incentive, Rebate, or Exemption	Property Tax Incentive, Rebate, or Exemption	Number of Types of Incentives (out of four possible)
Texas	*Yes (no tax)*	Yes	No	Yes	3
Iowa	Yes	Yes	Yes	Yes	4
California	No	No	No	Yes	1
Minnesota	No	No	Yes	Yes	2
Washington	*Yes (no tax)*	*Yes (no tax)*	Yes	No	3
Colorado	No	No	Yes	Yes	2
Oregon	Yes	Yes	*Yes (no tax)*	Yes	4
Illinois	No	No	Yes	Yes	2
New York	No	No	No	Yes (local option)	1
Oklahoma	No	Yes	No	No	1
Kansas	No	No	No	Yes	1
North Dakota	Yes	Yes	No	Yes	3
Wyoming	*Yes (no tax)*	*Yes (no tax)*	Yes	No	3
New Mexico	Yes	Yes	No	No	2
Wisconsin	No	No	Yes	Yes	2
Total Yes	7	8	8	11	
Total No	8	7	7	4	

Source: LSO summary of the Database of State Incentives for Renewables and Efficiency website.

If you need anything further please contact LSO Research at 777-7881.

ATTACHMENT A

Texas

Incentives/Policies for Renewables & Efficiency

Solar and Wind Energy Device Franchise Tax Deduction

Last DSIRE Review: 11/21/2008

Incentive Type:	Corporate Deduction
State:	Texas
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Wind
Applicable Sectors:	Commercial, Industrial
Amount:	10% of amortized cost
Maximum Incentive:	None
Web Site:	http://www.seco.cpa.state.tx.us/re_incentives-taxcode-statutes.htm#171107
Authority 1:	Texas Statutes § 171.107
Date Enacted:	1981, amended 1991, 1999, 2007
Date Effective:	1982

Summary:
Texas allows a corporation or other entity subject the state franchise tax to deduct the cost of a solar energy device from the franchise tax. Entities are permitted to deduct 10% of the amortized cost of the system from their apportioned margin. This treatment is effective January 1, 2008 and replaces prior tax law that allowed a company to deduct (1) the total cost of the system from the company's taxable capital; or, (2) 10% of the system's cost from the company's earned surplus (i.e., income). The franchise tax is Texas's equivalent to a corporate tax.

For the purposes of this deduction, a solar energy device means "a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power." Under this definition wind energy is also included as an eligible technology.

Texas also offers a franchise tax exemption for manufacturers, seller, or installers of solar energy systems which also includes wind energy as an eligible technology.

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Web Site: http://www.window.state.tx.us/taxinfo/franchise/

Incentive Type: Industry Recruitment/Support

State: Texas

Eligible Renewable/Other Technologies: Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Wind

Applicable Sectors: Commercial, Industrial

Amount: All

Max. Limit: None

Terms: N/A

Web Site: http://www.seco.cpa.state.tx.us/re_incentives-taxcode-statutes.htm#171

Authority 1: Tex. Tax Code § 171.056

Date Enacted: 1981

Date Effective: 1982

Summary:
Companies in Texas engaged solely in the business of manufacturing, selling, or installing solar energy devices are exempted from the franchise tax. The franchise tax is Texas's equivalent to a corporate tax; their primary elements are the same. There is no ceiling on this exemption, so it is a substantial incentive for solar manufacturers.

For the purposes of this exemption, a solar energy device means "a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power." Under this definition wind energy is also listed as an eligible technology.

Texas also offers a franchise tax deduction for solar energy devices which also includes wind energy as an eligible technology.

Contact:

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E-Mail: teresa.bostick@cpa.state.tx.us
Web Site: http://www.window.state.tx.us/taxinfo/franchise/

Incentive Type: Property Tax Exemption

State: Texas

Eligible Renewable/Other Technologies: Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Wind, Biomass, Storage Technologies, Solar Pool Heating, Anaerobic Digestion

Applicable Sectors: Commercial, Industrial, Residential

Amount: 100%

Max. Limit: None

Web Site: http://www.seco.cpa.state.tx.us/re_incentives-taxcode-statutes.htm

Authority 1: Texas Statutes § 11.27

Date Enacted: 1981

Authority 2: Exemption handbook

Summary:
The Texas property tax code allows an exemption of the amount of the appraised property value that arises from the installation or construction of a solar or wind-powered energy device that is primarily for the production and distribution of thermal, mechanical, or electrical energy for on-site use, or devices used to store that energy. "Solar" is broadly defined to include a range of biomass technologies.

"Solar energy device" means an apparatus designed or adapted to convert the radiant energy from the sun, including energy imparted to plants through photosynthesis employing the bioconversion processes of anaerobic digestion, gasification, pyrolysis, or fermentation, but not including direct combustion, into thermal, mechanical, or electrical energy; to store the converted energy, either in the form to which originally converted or another form; or to distribute radiant solar energy or the energy to which the radiant solar energy is converted.

"Wind-powered energy device" means an apparatus designed or adapted to convert the energy available in the wind into thermal, mechanical, or electrical energy; to store the converted energy, either in the form to which originally converted or another form; or to distribute the converted energy.

Those wishing to claim this exemption must fill out Form 50-123, "Exemption Application for Solar or Wind-Powered Energy Devices".

Contact:

Taxpayer Assistance - Renewable Energy Property Tax Exemption
Comptroller of Public Accounts
Tax Policy Division - Property Tax
Post Office Box 13528, Capitol Station
Austin , TX 78711-3528
Phone: (800) 531-5441 Ext.5-9806
Phone 2: (512) 305-9806
E-Mail: tax.help@cpa.state.tx.us
Web Site: http://www.window.state.tx.us/

ATTACHMENT B

Iowa

Incentives/Policies for Renewables & Efficiency

Renewable Energy Production Tax Credits (Corporate)

Last DSIRE Review: 05/04/2009

Incentive Type:	Corporate Tax Credit
State:	Iowa
Eligible Renewable/Other Technologies:	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydrogen, Anaerobic Digestion
Applicable Sectors:	Commercial, Industrial, Schools, Rural Electric Cooperative, Agricultural, Institutional
Amount:	1.5¢/kWh (IA Code § 476C) or 1.0¢/kWh (IA Code § 476B) for 10 years after facility begins producing energy
Maximum Incentive:	1.5¢/kWh (IA Code § 476C)
Carryover Provisions:	Credits in excess of tax liability in a given year may be carried forward up to 7 years
Eligible System Size:	**Iowa Code 476B**: 2 MW – 30 MW generally for applications after March 1, 2008; Schools, Hospitals: Minimum 750 kW for applications after June 30, 2009 **Iowa Code 476C**: Facility's combined capacity may not exceed 2.5 MW per qualifying owner
Equipment/Installation Requirements:	Facilities must be certified by the Iowa Utilities Board (IUB)
Project Review/Certification:	Energy production/sales data subject to review and verification by the IUB prior to the issuance of a tax credit certificate by the Department of Revenue
Web Site:	http://www.state.ia.us/government/com/util/energy/renewable_tax_credits.html
Authority 1:	IA Code § 476C
Date Enacted:	6/15/2005
Date Effective:	6/15/2005
Authority 2:	IA Code § 476B
Date Enacted:	6/15/2005
Date Effective:	6/15/2005
Authority 3:	IAC 199-15.18 et seq.
Date Effective:	10/01/2008 (latest revision)
Authority 4:	S.F. 456
Date Enacted:	04/23/2009
Date Effective:	01/01/2008 (retroactive to 2008 tax year)

Summary:

In June 2005, Iowa enacted legislation creating two separate production tax credit programs for energy generated by eligible wind and renewable energy facilities. An eligible facility can qualify for only one of the two credits, codified as Iowa Code § 476C and § 476B. On January 26, 2006, the Iowa Utilities Board (IUB) adopted rules governing the facility eligibility process (Docket No. RMU-05-08). Subsequent amendments resulted in further rule changes, culminating with the issuance of a final rule amendment by the IUB in July 2008 (IUB Docket No. RMU-08-04), which has now been incorporated into the administrative code (IAC 199-15.18 through 199-15.21). Sections 476B and 476C were amended yet again in April 2009 by S.F. 456, which will necessitate further administrative code changes in the future.

Iowa Code § 476C Tax Credit – Wind and Other Renewable-Energy Facilities
Under Iowa Code § 476C, a production tax credit of 1.5¢ per kilowatt-hour is available for energy generated and sold by eligible wind energy generators and other renewable energy facilities, including biomass and solar. Under the same law, Iowa offers $4.50 per million BTUs of biogas used to generate either electricity or heat for commercial purposes, or $1.44 per thousand cubic feet of hydrogen fuel generated and sold by an eligible renewable energy facility. These credits may be applied toward the state's personal income tax, business tax, financial institutions tax, or sales and use tax.

To qualify for the credit, a renewable energy facility must be at least 51% owned by specifically defined qualifying owners, and must be approved as eligible by the IUB. Furthermore, facilities must be placed into service on or after July 1, 2005, and before January 1, 2012. The maximum total amount of wind generating capacity eligible for this credit was increased from 180 megawatts (MW) to 330 MW in April 2009. The maximum total eligibility for other renewable technologies is 20 MW. A facility's combined capacity may not exceed 2.5 MW per qualifying owner, and facility owners may not have an ownership interest in more than two eligible facilities. Facilities must be operational within 30 months of IUB approval to maintain eligibility status, although for wind energy facilities that are delayed by equipment availability issues, the April 2009 legislation allows an additional 24 months for the facility to become operational.

Regarding total maximum eligibility limits, as of March 2009 active applications on file with the IUB exceeded the 20 MW maximum (30.2 MW in active applications) for other renewable technologies, and the 330 MW maximum (353 MW in active applications) for wind. If there is a reduction in capacity for any of the eligible facilities, or if any of the facilities are not operational within the statutory time limits, released capacity will become available to those who did not receive a full allocation of requested capacity, or who filed an application after capacity limits were fully subscribed. If any capacity is released, applications will be processed in the order received.

The IUB will verify the number of kilowatt-hours or BTUs sold by each eligible facility. The Iowa Department of Revenue will review the tax credit application and IUB verification, and issue and track the tax credit certificates. Credit certificates in excess of a taxpayer’s liability for a taxable year may be carried forward for a maximum of seven years. Certificates may be transferred or sold one time to a third party. Transferred certificates may be used against a different type of tax than that noted on the original certificate.

Iowa Code § 476B Tax Credit – Wind-Energy Facilities Only
Under Iowa Code § 476B, a production tax credit of 1.0¢ per kilowatt-hour is available for electricity generated by eligible wind energy facilities, including electricity used for on-site consumption. The tax credit may be applied toward the state's personal income tax, business income tax, financial institutions tax, sales and use tax, or energy replacement generation tax. This credit was formerly not available to facility owners that received the state's property tax exemption for renewable energy systems, the local option special assessment of wind energy devices, or the sales tax exemption for wind energy equipment. However, the April 2009 legislation removed this restriction effective for the 2008 tax year and thereafter. (See the DSIRE records for more information on these incentives).

To qualify for the credit, a wind energy facility must be approved as eligible by the IUB. There are no specific ownership criteria for individual projects; however, facility owners may not own more than two eligible facilities, and must have an executed power purchase agreement or interconnection agreement except when the electricity is used for on-site consumption. Facilities must be placed into service on or after July 1, 2005, but before July 1, 2012. For applications filed on or after March 1, 2008, facilities must have a minimum nameplate capacity of at least 2 MW and a maximum capacity of 30 MW. Applications from schools, colleges, universities, and hospitals filed on or after July 1, 2009 must have a minimum nameplate capacity of 750 kW. The maximum total amount of generating capacity eligible for the credit is 150 MW (decreased from 450 MW in April 2009). Facilities must be operational within 18 months of IUB approval to maintain eligibility status. Facility owners may apply for a 12-month extension of the 18-month limit if they are unable to obtain generating equipment.

If there is a reduction in capacity for any of the eligible facilities, or if any of the facilities are not operational within 18 or 30 months, released capacity will become available to those who did not receive a full allocation of requested capacity, or who filed an application after capacity limits were fully subscribed. If any capacity is released, applications will be processed in the order received. Facility owners may apply for wind energy tax credit certificates over a 10-year period, beginning with the initial production of electricity.

The IUB will verify the number of kilowatt-hours sold by each eligible facility. The Iowa Department of Revenue will review the tax credit application and IUB verification, and issue and track the tax credit certificates. Credit certificates in excess of a taxpayer's liability for a taxable year may be carried forward for a maximum of seven years. The certificates are freely transferable (i.e., they can be transferred more than once). Transferred certificates may be used against a different type of tax than that noted on the original certificate.

Contact:

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350 Maple Street
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E-Mail: brenda.biddle@iowa.gov
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Incentive Type: Excise Tax Incentive

State: Iowa

Eligible Renewable/Other Technologies: Landfill Gas, Wind, Biomass, Hydroelectric, Self-generators, Anaerobic Digestion

Applicable Sectors: Commercial, Industrial, Residential

Amount: 100% exemption for self-generators, methane digesters and wind; reduced rate for large hydro

Max. Limit: None

Authority 1: Iowa Code § 437A.6

Authority 2: Iowa Code § 437A.3(27)

Summary:
Iowa imposes a replacement generation tax of 0.06 cents ($0.0006) per kWh on various forms of electricity generated within the state. This tax is imposed in lieu of a property tax on generation facilities. However, under the Energy Replacement Generation Tax Exemption, all energy generated by methane gas conversion property (including digester gas facilities) and wind energy conversion property is exempt from the replacement generation tax. In addition, large hydroelectric generators (100 MW or more) pay a reduced generation tax equivalent to $0.000001847 per kWh.

On-site facilities wholly owned or leased in their entirety to a self-generator, defined by Iowa Code § 437A.3(27), are also exempt from the replacement tax on electricity generation. In general, self-generators must wholly own or lease the facility in question and produce electricity solely for their own consumption, except for inadvertent unscheduled deliveries to their electric utility.

Contact:

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Web Site: http://www.iowa.gov/tax/index.html

Incentive Type:	Personal Tax Credit
State:	Iowa
Eligible Renewable/Other Technologies:	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydrogen, Anaerobic Digestion
Applicable Sectors:	Commercial, Industrial, Residential, Schools, Rural Electric Cooperative, Agricultural, Institutional
Amount:	1.5¢/kWh (IA Code § 476C) or 1.0¢/kWh (IA Code § 476B) for 10 years after facility begins producing energy
Maximum Incentive:	1.5¢/kWh (IA Code § 476C)
Carryover Provisions:	Credits in excess of tax liability in a given year may be carried forward up to 7 years
Eligible System Size:	**Iowa Code 476B**: 2 MW – 30 MW generally for applications after March 1, 2008; Schools, Hospitals: Minimum 750 kW for applications after June 30, 2009 **Iowa Code 476C**: Facility's combined capacity may not exceed 2.5 MW per qualifying owner
Equipment/Installation Requirements:	Facilities must be certified by the Iowa Utilities Board (IUB)
Project Review/Certification:	Energy production/sales data subject to review and verification by the IUB prior to the issuance of a tax credit certificate by the Department of Revenue
Web Site:	http://www.state.ia.us/government/com/util/energy/renewable_tax_credits.html
Authority 1:	IA Code § 476C
Date Enacted:	6/15/2005
Date Effective:	6/15/2005
Authority 2:	IA Code § 476B
Date Enacted:	6/15/2005
Date Effective:	6/15/2005
Authority 3:	IAC 199-15.18 et seq.
Date Effective:	10/01/2008 (latest revision)
Authority 4:	S.F. 456
Date Enacted:	04/23/2009
Date Effective:	01/01/2008 (retroactive to 2008 tax year)

Summary:
In June 2005, Iowa enacted legislation creating two separate production tax credit programs for energy generated by eligible wind and renewable energy facilities. An eligible facility can qualify for only one of the two credits, codified as Iowa Code § 476C and § 476B. On January 26, 2006, the Iowa Utilities Board (IUB) adopted rules governing the facility eligibility process (Docket No. RMU-05-08). Subsequent amendments resulted in further rule changes, culminating with the issuance of a final rule amendment by the IUB in July 2008 (IUB Docket No. RMU-08-04), which has now been incorporated into the administrative code (IAC 199-15.18 through 199-15.21). Sections 476B and 476C were amended yet again in April 2009 by S.F. 456, which will necessitate further administrative code changes in the future.

Iowa Code § 476C Tax Credit – Wind and Other Renewable-Energy Facilities
Under Iowa Code § 476C, a production tax credit of 1.5¢ per kilowatt-hour is available for energy generated and sold by eligible wind energy generators and other renewable energy facilities, including biomass and solar. Under the same law, Iowa offers $4.50 per million BTUs of biogas used to generate either electricity or heat for commercial purposes, or $1.44 per thousand cubic feet of hydrogen fuel

generated and sold by an eligible renewable energy facility. These credits may be applied toward the state's personal income tax, business tax, financial institutions tax, or sales and use tax.

To qualify for the credit, a renewable energy facility must be at least 51% owned by specifically defined qualifying owners, and must be approved as eligible by the IUB. Furthermore, facilities must be placed into service on or after July 1, 2005, and before January 1, 2012. The maximum total amount of wind generating capacity eligible for this credit was increased from 180 megawatts (MW) to 330 MW in April 2009. The maximum total eligibility for other renewable technologies is 20 MW. A facility's combined capacity may not exceed 2.5 MW per qualifying owner, and facility owners may not have an ownership interest in more than two eligible facilities. Facilities must be operational within 30 months of IUB approval to maintain eligibility status, although for wind energy facilities that are delayed by equipment availability issues, the April 2009 legislation allows an additional 24 months for the facility to become operational.

Regarding total maximum eligibility limits, as of March 2009 active applications on file with the IUB exceeded the 20 MW maximum (30.2 MW in active applications) for other renewable technologies, and the 330 MW maximum (353 MW in active applications) for wind. If there is a reduction in capacity for any of the eligible facilities, or if any of the facilities are not operational within the statutory time limits, released capacity will become available to those who did not receive a full allocation of requested capacity, or who filed an application after capacity limits were fully subscribed. If any capacity is released, applications will be processed in the order received.

The IUB will verify the number of kilowatt-hours or BTUs sold by each eligible facility. The Iowa Department of Revenue will review the tax credit application and IUB verification, and issue and track the tax credit certificates. Credit certificates in excess of a taxpayer’s liability for a taxable year may be carried forward for a maximum of seven years. Certificates may be transferred or sold one time to a third party. Transferred certificates may be used against a different type of tax than that noted on the original certificate.

Iowa Code § 476B Tax Credit – Wind-Energy Facilities Only
Under Iowa Code § 476B, a production tax credit of 1.0¢ per kilowatt-hour is available for electricity generated by eligible wind energy facilities, including electricity used for on-site consumption. The tax credit may be applied toward the state's personal income tax, business income tax, financial institutions tax, sales and use tax, or energy replacement generation tax. This credit was formerly not available to facility owners that received the state's property tax exemption for renewable energy systems, the local option special assessment of wind energy devices, or the sales tax exemption for wind energy equipment. However, the April 2009 legislation removed this restriction effective for the 2008 tax year and thereafter. (See the DSIRE records for more information on these incentives).

To qualify for the credit, a wind energy facility must be approved as eligible by the IUB. There are no specific ownership criteria for individual projects; however, facility owners may not own more than two eligible facilities, and must have an executed power purchase agreement or interconnection agreement except when the electricity is used for on-site consumption. Facilities must be placed into service on or after July 1, 2005, but before July 1, 2012. For applications filed on or after March 1, 2008, facilities must have a minimum nameplate capacity of at least 2 MW and a maximum capacity of 30 MW. Applications from schools, colleges, universities, and hospitals filed on or after July 1, 2009 must have a minimum nameplate capacity of 750 kW. The maximum total amount of generating capacity eligible for the credit is 150 MW (decreased from 450 MW in April 2009). Facilities must be operational within 18 months of IUB approval to maintain eligibility status. Facility owners may apply for a 12-month extension of the 18-month limit if they are unable to obtain generating equipment.

If there is a reduction in capacity for any of the eligible facilities, or if any of the facilities are not operational within 18 or 30 months, released capacity will become available to those who did not receive a full allocation of requested capacity, or who filed an application after capacity limits were fully subscribed. If any capacity is released, applications will be processed in the order received. Facility owners may apply for wind energy tax credit certificates over a 10-year period, beginning with the initial production of electricity.

The IUB will verify the number of kilowatt-hours sold by each eligible facility. The Iowa Department of Revenue will review the tax credit application and IUB verification, and issue and track the tax credit certificates. Credit certificates in excess of a taxpayer's liability for a taxable year may be carried forward for a maximum of seven years. The certificates are freely transferable (i.e., they can be transferred more than once). Transferred certificates may be used against a different type of tax than that noted on the original certificate.

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Web Site: http://www.state.ia.us/government/com/util/index.html

Brenda Biddle
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Des Moines, IA 50319
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E-Mail: brenda.biddle@iowa.gov
Web Site: http://www.state.ia.us/government/com/util/util.html

Incentive Type: Property Tax Exemption
State: Iowa
Eligible Renewable/Other Technologies: Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Photovoltaics, Wind
Applicable Sectors: Commercial, Industrial, Residential, Agricultural
Amount: 100% of project value
Max. Limit: None
Terms: Five full assessment years
Authority 1: Iowa Code § 441.21(8)
Date Effective: 01/01/1978

Summary:
In Iowa, the market value added to a property by a solar or wind energy system is exempt from the state's property tax for five full assessment years. According to Iowa law, eligible systems include (1) a system of equipment capable of collecting and converting incident solar radiation or wind energy into thermal, mechanical, or electrical energy and transforming these forms of energy by a separate apparatus to storage or to a point of use which is constructed or installed after January 1, 1978; or (2) a system that uses the basic design of the building to maximize solar heat gain during the cold season and to minimize solar heat gain in the hot season and that uses natural means to collect, store and distribute solar energy which is constructed or installed after January 1, 1981.

The Iowa Department of Revenue has determined that this exemption can be applied to systems whose "primary purpose" is to store or provide electricity for use at the site where the system is located. This clarifies that systems which periodically export electricity to the grid (e.g., net metered systems) are eligible to claim the exemption as long as they are used primarily to serve on-site electricity demand.

Contact:

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Fax: (515) 725-0438
E-Mail: Greg.Watkins@iowa.gov
Web Site: http://www.energy.iowa.gov/

Incentive Type: Sales Tax Exemption

State: Iowa

Eligible Renewable/Other Technologies: Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Wind, Solar Pool Heating

Applicable Sectors: Commercial, Residential, General Public/Consumer, Agricultural

Amount: 100% of sales tax

Maximum Incentive: None

Web Site: http://www.state.ia.us/tax/educate/salespubs.html

Authority 1: IA Code § 423.3 (Sec. 54, 90)

Summary:
This statute exempts from the state sales tax the total cost of wind energy equipment and all materials used to manufacture, install or construct wind energy systems. The exemption does not apply to equipment used to construct a plant to manufacture wind energy systems. As of July 1, 2006, solar energy equipment is also exempt from the state sales tax. Solar equipment means any equipment that is used to convert incident solar radiation to energy, or equipment used to transform the converted energy to storage or to some point of use. As of July 2008, the Iowa sales tax rate is 6%.

Contact:

Taxpayer Services - DOR
Iowa Department of Revenue
Hoover Building, Taxpayer Services
1305 E. Walnut
Des Moines, IA 50319
Phone: (515) 281-3114
Phone 2: (800) 367-3388
Web Site: http://www.state.ia.us/tax/index.html

ATTACHMENT C

California

Incentives/Policies for Renewables & Efficiency

Property Tax Exclusion for Solar Energy Systems

Last DSIRE Review: 01/20/2009

Incentive Type:	Property Tax Exemption
State:	California
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Solar Mechanical Energy
Applicable Sectors:	Commercial, Industrial, Residential
Amount:	100% of system value
Max. Limit:	None
Terms:	75% exemption for dual-use equipment
Authority 1:	Cal Rev & Tax Code § 73
Expiration Date:	12/31/16
Authority 2:	AB 1451
Date Enacted:	9/28/08

Summary:

Section 73 of the California Revenue and Taxation Code allows a property tax exclusion for certain types of solar energy systems installed between January 1, 1999, and December 31, 2016. This section was amended in 2008 to include the construction of an active solar energy system incorporated by an owner-builder in the initial construction of a new building that the owner-builder does not intend to occupy or use. This only applies if the owner-builder did not already receive an exclusion for the same active solar energy system and only if the initial purchaser purchased the new building prior to that building becoming subject to reassessment to the owner-builder.

Qualifying active solar energy systems are defined as those that "are thermally isolated from living space or any other area where the energy is used, to provide for the collection, storage, or distribution of solar energy." These include solar space conditioning systems, solar water heating systems, active solar energy systems, solar process heating systems, photovoltaic (PV) systems, and solar thermal electric systems, and solar mechanical energy. Solar pool heating systems and solar hot-tub-heating systems are not eligible.

Components included under the exclusion include storage devices, power conditioning equipment, transfer equipment, and parts. Pipes and ducts that are used to carry both solar energy and energy derived from other sources qualify for the exemption only to the extent of 75% of their full cash value. Likewise, dual-use equipment for solar-electric systems qualifies for the exclusion only to the extent of 75% of its value.

System owners should contact the applicable county assessor's office for further information. Click here for a listing of County Assessor offices in California, and here for a December 2008 letter to the assessor that further clarifies the terms of the exclusion.

Contact:

Tax Specialist / BOE
California State Board of Equalization
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ATTACHMENT D

Minnesota

Incentives/Policies for Renewables & Efficiency

Wind and Solar-Electric (PV) Systems Exemption

Last DSIRE Review: 07/02/2009

Incentive Type: Property Tax Exemption

State: Minnesota

Eligible Renewable/Other Technologies: Photovoltaics, Wind

Applicable Sectors: Commercial, Residential

Max. Limit: None

Web Site: http://www.state.mn.us/portal/mn/jsp/content.do?id=-536881350&subchannel=-536881511&sc2=null&sc3=null&contentid=536885915&contenttype=EDITORIAL&programid=

Authority 1: Minn. Stat. § 272.02

Date Effective: 01/01/1992

Authority 2: Minn. Stat. § 272.028

Date Enacted: 06/30/2001

Date Effective: 07/01/2001

Authority 3: Minn. Stat. § 272.029

Date Enacted: 05/18/2002 (subsequently amended)

Date Effective: 01/01/2003

Authority 4: H.F. 1298, Article 2, Sec. 12

Date Enacted: 05/16/2009

Date Effective: 05/17/2009

Summary:

Minnesota excludes the value added by solar-electric (PV) systems from real property taxation, and all real and pe systems is exempt from the state's property tax. However, the land on which a PV or wind system is located remai

In lieu of a property tax on large wind-energy systems, a production tax was implemented in 2002. Wind systems g rate of 0.12 cents/kWh; systems between 2 MW and 12 MW are taxed at a rate of 0.036 cents/kWh; and systems taxed at a rate of 0.012 cents/kWh. Wind systems under 250 kW are exempt from the production tax, as are syste that are owned by political subdivisions. Effective for 2006 - 2009 (Minn. Stat. § 272.029 Subd. 6), the revenue ge distributed to local taxing districts as follows: 80% to counties; 14% to cities and townships; and 6% to school distr distribution of revenues will be 80% to counties and 20% to cities and townships (H.F. 1293 of 2009).

Notably, a provision in a separate statute (Minn. Stat. § 272.028) allows a mutually agreeable alternative to be neg government authority and the wind facility owner for the purpose of maintaining "public infrastructure and services be negotiated by a local government in order to attract wind development.

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Incentive Type: Sales Tax Exemption

State: Minnesota

Eligible Renewable/Other Technologies: Wind

Applicable Sectors: Commercial, Residential, General Public/Consumer

Amount: All

Maximum Incentive: None

Web Site: http://www.state.mn.us/portal/mn/jsp/content.do?id=-536881350&subchannel=-536881511&contentid=536885915&contenttype=EDITORIAL&programid=536885394&sp2=y&

Authority 1: Minn. Stat. § 297A.68 subd. 12

Date Enacted: 07/01/1998

Summary:
Wind-energy conversion systems used as electric-power sources are exempt from Minnesota's sales tax. Materials used to manufacture, install, construct, repair or replace wind-energy systems also are exempt from the state sales tax. A "wind energy conversion system" (WECS) is defined as any device, such as a wind charger, wind mill or wind turbine, that converts wind energy to a form of usable energy.

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ATTACHMENT E

Washington

Incentives/Policies for Renewables & Efficiency

Renewable Energy Sales and Use Tax Exemption

Last DSIRE Review: 05/19/2009

Incentive Type: Sales Tax Exemption

State: Washington

Eligible Renewable/Other Technologies: Solar Water Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Geothermal Electric, Fuel Cells, Anaerobic Digestion, Tidal Energy, Wave Energy

Applicable Sectors: Commercial, Residential, General Public/Consumer

Amount: 100% Exemption

Equipment Requirements: Systems > 1 kW

Authority 1: RCW § 82.08.02567

Expiration Date: 6/30/13

Authority 2: RCW § 82.08.835

Date Enacted: 3/24/06

Date Effective: 7/1/2006

Expiration Date: 6/30/2009

Summary:
In Washington State, tax does not apply to the sales of equipment used to generate electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal, anaerobic digestion or landfill gas. HB 2799, passed in 2006, added solar water heating systems to the list of eligible technologies. The tax exemption applies to labor and services related to the installation of the equipment, as well as to the sale of equipment and machinery. Eligible systems are those with a generating capacity of at least 1 kilowatt (kW).

Qualifying tax-exempt solar water heating equipment includes:

- OG-300 rated solar water heating systems
- OG-100 rated solar water heating collectors
- Solar heat exchangers
- Differential solar controllers
- Replacement parts for such equipment

In May 2009, Washington passed SB 6170, effective July 1, 2009. With the passage of this legislation, the sales and use tax exemption was extended to June 30, 2011 for systems generating electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal, anaerobic digestion or landfill gas. The tax exemption for solar water heating will expire June 30, 2009. Purchasers of the systems listed above may claim an exemption in the form of a remittance. From July 1, 2011 to June 30, 2013, the exemption for the systems described above will be reduced from 100% of the sales and use tax to 75% of the sales and use tax. This bill also extended the exemption for solar energy systems under 10 kW. Purchasers of these systems can provide the seller with an exemption certificate to avoid paying the sales and use tax. This exemption was extended in full until June 30, 2013.

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ATTACHMENT F

Colorado

Incentives/Policies for Renewables & Efficiency

Renewable Energy Property Tax Assessment

Last DSIRE Review: 05/13/2009

Incentive Type: Property Tax Assessment

State: Colorado

Eligible Renewable/Other Technologies: Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Municipal Solid Waste, Anaerobic Digestion

Applicable Sectors: Commercial

Amount: Varies depending on rate set annually by the Division of Property Taxation

Web Site: http://www.dola.state.co.us/dpt/state_assessed/index.htm

Authority 1: CRS 39-4-102(e) et seq.

Date Enacted: 2001

Authority 2: SB 177

Date Enacted: 4/22/2009

Date Effective: 1/1/2009

Summary:

In Colorado, property tax for utility-scale electric-generating facilities is based on installed cost. Renewable energy facilities installed are assessed property taxes as though their installed costs were comparable to those of non-renewable energy facilities. The incremental value of the renewable facilities above the non-renewable facilities is disregarded. The Colorado Division of Property Taxation is responsible for determining the nonrenewable comparison value each year. For 2009, the nonrenewable facility value was determined to be $1,128 per kilowatt (KW) for renewable energy projects up to 2 megawatts (MW), and $421 per kW for systems over 100 MW, with other values for various size ranges between 2 MW and 100 MW (see methodology). This valuation methodology applies to renewable generators that are connected to the transmission system. It does not apply to customer-sited resources.

In 2006, Colorado enacted HB 06-1275, which declared that using installed cost alone as a basis for assessing wind energy was not “just and equal because of wide variations in the production of energy from wind turbines, because of the uncertainty of wind available for energy production, and because the cost of constructing a wind energy facility is significantly more expensive than any other utility production facility.” Property taxes for wind-energy facilities installed on or after June 1, 2006, are assessed using a separate calculation method based on cost, the revenue generated from electricity sales, and a tax factor multiplier. Instruction on using this method are available on the website provided above.

Senate Bill 177, enacted in April of 2009, allows for large-scale solar facilities (2 MW or larger) installed on or after January 1, 2009 to follow the same method for property tax assessments as wind-energy facilities. Wind facilities in operation prior to June 1, 2006, and solar facilities installed prior to January 1, 2009 are assessed using the same method as other renewables.

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Web Site: http://www.DOLA.Colorado.Gov/PropertyTax/index.htm

Incentive Type:	Sales Tax Exemption
State:	Colorado
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Wind, Biomass, Geothermal Electric, Other Renewables (not specified)
Applicable Sectors:	Commercial, Industrial, Residential, General Public/Consumer, Nonprofit, Local Government, State Government, Agricultural, Institutional, Retail Supplier
Amount:	100%
Authority 1:	HB 1126
Date Enacted:	5/15/2009
Date Effective:	7/1/2009
Expiration Date:	7/1/2017

Summary:
Colorado exempts from their sales and use tax all sales, storage, and use of components used in the production of alternating current electricity from a renewable energy source. Effective July 1, 2009 through July 1, 2017, all sales, storage, and use of components used in solar thermal systems are also exempt from the state's sales and use tax. The exemption for systems which produce electricity from a renewable resource includes but is not limited to photovoltaic systems, solar thermal electric systems, small wind systems, biomass systems, or geothermal systems.

The legislation defines the components of a system which are eligible for the exemption and includes items including, but not limited to trackers, generating equipment, supporting structures or racks, inverters, towers and foundations, balance of system components such as wiring, control systems, switchgears, and generator step-up transformers.

The exemption only applies to *state* sales and use taxes. Sales and use taxes assessed by incorporated towns, cities and counties are still applied to renewable energy, however, the state has granted local jurisdictions the authority to adopt the exemption for renewable energy equipment if they choose.

ATTACHMENT G

Oregon

Incentives/Policies for Renewables & Efficiency

Business Energy Tax Credit

Last DSIRE Review: 05/20/2009

Incentive Type: Corporate Tax Credit

State: Oregon

Eligible Efficiency Technologies: Lighting, Heat recovery, Caulking/Weather-stripping, Duct/Air sealing, Building Insulation, Comprehensive Measures/Whole Building

Eligible Renewable/Other Technologies: Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Renewable Transportation Fuels, Geothermal Electric, Geothermal Heat Pumps, CHP/Cogeneration, Hydrogen, Industrial Waste, Refueling Stations, Ethanol, Methanol, Biodiesel, Fuel Cells using Renewable Fuels

Applicable Sectors: Commercial, Industrial, Builder/Developer, Multi-Family Residential, Agricultural, Equipment manufacturers

Amount: Renewable energy generation, renewable energy equipment manufacturing, high efficiency combined heat and power: 50% of eligible project costs, distributed over five years (10% per year)
All other projects: 35% of eligible project costs, distributed over five years (10% in the first and second years, 5% each year thereafter)

Maximum Incentive: $20 million for renewable energy equipment manufacturing facilities
$10 million for other projects

Carryover Provisions: Excess credit may be carried forward eight years; those with eligible project costs of $20,000 or less may take credit in one year.

Eligible System Size: Not specified

Equipment/Installation Requirements: System must be new and in compliance with all applicable performance and safety standards; must pass preliminary and final certification of the ODOE review process.

Project Review/Certification: "Sustainable Buildings" must achieve LEED Silver Certification in addition to other ODOE requirements.

Web Site: http://egov.oregon.gov/ENERGY/CONS/BUS/BETC.shtml

Authority 1: OAR 330-090-0105 to 330-090-0150

Date Enacted: 1/1/1980

Date Effective: 6/20/2008

Summary:

Oregon's Business Energy Tax Credit (BETC) is for investments in energy conservation, recycling, renewable energy resources, sustainable buildings, and less-polluting transportation fuels. Any Oregon business may qualify, including, but not limited to, manufacturing plants, stores, offices, apartment buildings, farms, and transportation. The tax credit can cover costs directly related to the project, including equipment cost, engineering and design fees, materials, supplies and installation costs. Loan fees and permit costs also may be claimed. However, replacing equipment at the end of its useful life or equipment required to meet codes or other government regulations are not eligible. Maintenance costs are also not eligible. All projects must meet the BETC technical requirements to qualify.

HB 3201, enacted in July 2007, increased the tax credit to 50% of the total cost for renewable energy, high efficiency combined heat and power, and renewable energy equipment manufacturing facilities, with a maximum credit of $10 million. The tax credit for all other projects remains at 35% of eligible project costs. The 50% tax credit is taken over five years -- 10% each year. Any unused credit may be carried forward up to eight years. Those with eligible project costs of $20,000 or less may take the tax credit in one year. These changes are retroactive to include projects beginning on or after January 1, 2007; and the sunset date is

January 1, 2016.

In March 2008, HB 3619 increased the maximum credit just for manufacturers of renewable energy equipment to $20 million (50% of a $40 million facility). HB 3619 also requires the Oregon Department of Energy (ODOE) to set standards related to what constitutes a manufacturing facility, as well as the facility's minimum level of increased employment, financial viability, and the influence that the BETC would have on a manufacturer locating in Oregon. ODOE can apply those standards to certify a lesser amount of costs than applied for, including zero costs. HB 3619 also requires ODOE to consider criteria relating to the state's general fund before determining the amount of costs eligible for the BETC.

The tax credit is also available to homebuilders who install renewable energy systems on the homes they construct, The maximum tax credit for a homebuilder is $9,000 per single-family home, or $12,000 if the system is installed on a certified high-performance home. To be considered a high-performance home, the dwelling must be certified through the Northwest Energy Star Homes Program, and meet additional requirements outlined in the technical requirements.

Under the pass-through option, a project owner may transfer a tax credit to a pass-through partner in return for a lump-sum cash payment (the net present value of the tax credit) upon completion of the project. The pass-through option allows non-profit organizations, schools, governmental agencies, tribes, and other public entities and businesses without tax liability to use the Business Energy Tax Credit by transferring their tax credit for an eligible project to a partner with a tax liability.

Projects that use solar, wind, hydro, geothermal, biomass or fuel cells (renewable fuels only) to produce energy, displace energy, or reclaim energy from waste may qualify for a tax credit. Renewable resource projects must replace at least 10% of the electricity, gas or oil used. The energy can be used on site or sold.

General retrofit projects, in addition to those for lighting, and weatherization projects for rental property may be eligible for the program, as well as new construction projects, including energy efficiency and lighting. Retrofit projects must be 10% more energy efficient than the existing installation; lighting retrofits must be 25% more efficient than existing lighting. For new buildings, all measures must reduce energy use by at least 10% compared to a similar building that meets the minimum requirements of the state energy code.

Cogeneration projects may also be eligible. Projects that develop new markets for recycled materials or recycle materials not required by law may be eligible for the tax credit. Projects that reduce employee commuting (or work-related travel) and investments in cleaner-burning fuels may qualify.

In 2001, the Oregon Legislature added sustainable buildings to the list of measures and systems eligible for the tax credit. This addition became effective October 8, 2001 and is retroactive to January 1, 2001. In addition to several requirements set forth by the ODOE, the building must meet established standards set by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) for Silver Certification.

Applications and instructions are available on the program web site. Through 2007, more than 14,000 energy tax credits have been awarded to Oregon businesses. Altogether, those investments save or generate energy worth about $215 million a year.
The ODOE has published a brochure to explain how the tax credit works.

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Incentive Type:	Industry Recruitment/Support
State:	Oregon
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Photovoltaics, Wind, Biomass, Geothermal Heat Pumps, Solar Pool Heating, Small Hydroelectric, Tidal Energy, Wave Energy
Applicable Sectors:	Commercial, Industrial
Amount:	50% of eligible costs (10% per year for 5 years)
Max. Limit:	$20 million
Web Site:	http://egov.oregon.gov/ENERGY/CONS/BUS/BETC.shtml
Authority 1:	OAR 330-090-0105 to 330-090-0150
Date Effective:	6/20/2008

Summary:
Oregon's Business Energy Tax Credit (BETC) is for investments in energy conservation, recycling, renewable energy resources, sustainable buildings, and less-polluting transportation fuels. The Tax Credit for Renewable Energy Resource Equipment Manufacturing Facilities was enacted as a part of BETC in July 2007, with the passage of HB 3201. The tax credit equals 50% of the construction costs of a facility which will manufacture renewable energy systems, and includes the costs of the building, excavation, machinery and equipment which is used primarily to manufacture renewable energy systems. The credit may also be applied to the costs of improving an existing facility which will be used to manufacture renewable energy systems. The 50% credit is taken over the course of five years, at 10% each year. The original maximum credit of $10 million was expanded to $20 million (50% of a $40 million facility) upon the enactment of HB 3619 in March 2008. This legislation clarified the manufacturing credit and separated the revenue stream from the rest of BETC.

The credit applies to companies that manufacture systems that harness energy from wood waste or other wastes from farm and forest lands, non-petroleum plant or animal based biomass, the sun, wind, water, or geothermal resources. Prior to construction, a business must apply to the Oregon Department of Energy for preliminary certification. In addition to this preliminary certification, the manufacturing facility must apply for final certification. Another review required for manufacturing facilities is a financial feasibility review. The Oregon Department of Energy may establish other rules to govern the type of equipment, machinery or other manufactured products eligible for this credit, as well as minimum performance and efficiency standards for those manufactured products.

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Web Site: http://www.oregon.gov/energy

Incentive Type:	Personal Tax Credit
State:	Oregon
Eligible Efficiency Technologies:	Clothes Washers, Dishwasher, Refrigerators/Freezers, Water Heaters, Furnaces, Boilers, Heat pumps, Air conditioners, Heat recovery, Duct/Air sealing
Eligible Renewable/Other Technologies:	Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Photovoltaics, Wind, Biomass, Renewable Fuel Vehicles, Fuel Cells, Geothermal Heat Pumps, Refueling Stations
Applicable Sectors:	Residential
Amount:	PV and Fuel Cells: \$3.00/W Wind Electric Systems: \$2/kWh produced in first year Spa/pool heating: \$0.15/kWh saved Residential Appliances, HVAC, Water Heating: \$0.40/kWh saved in first year, or 25% of net purchase price, whichever is less Premium Efficiency Biomass Combustion Device: \$0.40/kWh saved in first year, \$300 or 25% of the cost, whichever is less All other renewable technologies: \$0.60/kWh saved during the first year.
Maximum Incentive:	Energy efficient appliances, heating and cooling systems: \$1,000 per calendar year. Premium Efficiency Biomass Combustion Device: \$300 or 25%, whichever is less For all others: \$1,500 except that the maximum for PV, Fuel Cells and Wind Turbines is \$6,000 (\$1,500 per year for 4 years), up to 50% of installed cost.
Carryover Provisions:	Excess credit may be carried forward five years following the first tax year for which any credit was allowed (must be taken over no more than 6 years altogether).
Equipment/Installation Requirements:	Must obtain certification from Oregon Dept. of Energy prior to installation or be installed by contractor certified by the Dept.; must carry manufacturer's warranty; must comply with general and specific standards in OAR 330, Division 70.
Project Review/Certification:	Systems or energy consumption records may be inspected by Oregon Dept. of Energy to verify eligibility.
Web Site:	http://egov.oregon.gov/ENERGY/CONS/RES/RETC.shtml
Authority 1:	ORS § 469.185 et seq.
Date Enacted:	7/31/2007
Date Effective:	1/1/2007
Authority 2:	OAR 330-070-0010 to 330-070-0097
Date Enacted:	1977 (original legislation)
Date Effective:	11/1/2008
Expiration Date:	None
Authority 3:	ORS § 315.354
Date Enacted:	9/2/2005
Date Effective:	1/1/2006
Expiration Date:	12/31/2015

Summary:

Homeowners and renters who pay Oregon income taxes are eligible for the Residential Energy Tax Credit if they purchase premium-efficiency appliances, heating and cooling systems, duct systems, closed-loop geothermal space or water heating systems, solar water and space heating systems, photovoltaics, wind, fuel cells, and alternative fuel vehicles and charging or fueling systems. New rules adopted in December 2007 added an incentive for premium efficiency biomass combustion devices, capped at $300 or 25% of the cost.

Renewable Energy Incentives
Photovoltaic (PV) systems and fuel cells are eligible for $3 per peak watt with a maximum limit of $6,000, up to 50% of the installed cost. However, the amount claimed in any one tax year may not exceed $1,500 or the taxpayer's tax liability, whichever is less. Unused credits may be carried forward for five years.

Solar space and water heating systems, and wind-powered mechanical systems are eligible for a credit of 60 cents per kWh saved during the first year, up to $1,500.

Spa and pool heating systems are eligible for a tax credit of 15 cents per kWh saved, up to 50 percent of the cost, with a maximum tax credit of $1,500.

Closed-loop geothermal systems for space or water heating are eligible for $300 to $900.

Wind Turbine Systems that produce electricity are eligible for a credit equal to the lesser of $2 per kWh produced during its first year, or $6,000.

Energy Efficiency Incentives
Only appliances recognized as premium efficiency by the Oregon Department of Energy are eligible for the tax credit. The Oregon Department of Energy keeps a list of qualifying appliances. The tax credit is the lesser of: (1) $0.40 saved in the first year, or (2) 25% of the net cost of the appliance.

Performance-tested duct systems qualify for a tax credit of 25% of the cost of the work, not to exceed $250. The testing must be performed by a contractor certified by the Oregon Department of Energy.

Qualifying air-source heat pump systems are eligible for a tax credit of $300 to $500 when installed by a contractor from the list of certified contractors available from the Oregon Department of Energy.

Qualifying condensing furnaces and boilers are eligible for tax credits of $350 and $225. If the heat pumps and furnaces are connected to a performance-tested duct system, they are eligible for an additional $150 tax credit.

Alternative Fuel Vehicles Incentive
Vehicles that run on alternative type of fuels qualify for a tax credit. Examples are electricity, natural gas, methanol, propane and hydrogen. Vehicles must be registered in the state of Oregon to operate on public roadways. An additional tax credit is available for installing a home charging or fueling system. The tax credit is 25 percent of the cost of the vehicle or device, not to exceed $750. The tax credit may be claimed for a vehicle and a charging or fueling system, for a total of $1,500.
This tax credit sunsets on December 31, 2015.

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Incentive Type: Property Tax Exemption
State: Oregon
Eligible Renewable/Other Technologies: Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Fuel Cells, Geothermal Heat Pumps, Direct-Use Geothermal, Methane Gas, Solar Pool Heating
Applicable Sectors: Commercial, Industrial, Residential
Amount: 100%
Web Site: http://egov.oregon.gov/ENERGY/RENEW/Solar/Support.shtml
Authority 1: ORS § 307.175
Date Enacted: 1976
Expiration Date: 7/1/2012

Summary:
ORS 307.175 states that the added value to any property from the installation of a qualifying renewable energy system may not be included in the assessment of the property's value for property tax purposes. Qualifying renewables include solar, geothermal, wind, water, fuel cell or methane gas systems for the purpose of heating, cooling or generating electricity. This exemption is intended for end users and does not apply to property owned by anyone directly or indirectly involved in the energy industry.

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ATTACHMENT H

Illinois

Incentives/Policies for Renewables & Efficiency

Sales Tax Exemption for Wind Energy Business Designated High Impact Business

Last DSIRE Review: 07/16/2009

Incentive Type: Sales Tax Exemption
State: Illinois
Eligible Renewable/Other Technologies: Wind
Applicable Sectors: Commercial
Amount: 100% exemption of Retailers' Occupation Tax for building materials incorporated into the facility
Web Site: http://www.commerce.state.il.us/dceo/Bureaus/Business_Development/Tax+Assistance/HIB.htm
Authority 1: SB 1923
Date Enacted: 06/30/2009
Date Effective: 07/01/2009

Summary:
A business establishing a new wind power facility in Illinois that will not be located in an Enterprise Zone* may be eligible for designation as a "High Impact Business." After receiving the designation, the facility is entitled to a full exemption of the state sales tax (6.25%) and any additional local state sales taxes for building materials incorporated into the facility.

A wind power facility must be new (or an expansion of an existing facility) and placed in service on or after July 1, 2009. It must generate electricity using wind turbines 500 kW or greater. The associated transmission lines, substations and related equipment are included in the definition of a wind power facility.

A wind power facility must apply to the Department of Commerce and Economic Opportunity (DCEO) for designation as Wind Energy Business within the High Impact Business Program. Applications are accepted throughout the year; once an application is received, DCEO will respond within 90 days. Once designation is granted, the business will be eligible for the sales tax benefits. As a condition of designation (and to receive the tax benefits), a Wind Energy Business will be required to comply with the Prevailing Wage Act for construction labor.

**Locating within an Enterprise Zone offers businesses a different package of incentives and makes them ineligible for designation as a High Impact Business.*

Contact:

Information - High Impact Business
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Bureau of Business Development
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Web Site: http://www.commerce.state.il.us/dceo

Incentive Type: Property Tax Assessment

State: Illinois

Eligible Renewable/Other Technologies: Wind

Applicable Sectors: Commercial, Industrial, Utility

Terms: Valuation: $360,000/MW (annually adjusted for inflation) for commercial wind devices larger than 500 kW;
Depreciation: Up to 70% of the trended real property cost basis

Web Site: http://www.revenue.state.il.us/LocalGovernment/PropertyTax/windenergydevice.pdf

Authority 1: § 35 ILCS 200/10-600 et seq.

Date Enacted: 10/17/2007

Date Effective: 2007 Assessment Year

Expiration Date: 2011 Assessment Year

Summary:

Prior to 2007, wind energy devices generating electricity for commercial sale were assessed differently depending on where they were located. Some counties valued the entire turbine structure (tower plus generation equipment) as "real property", subject to taxation, while others deemed only the tower portion as taxable property. This difference in valuation procedure meant that the taxable value of identical wind turbines could vary by as much as 75% from county to county, creating dramatically different tax loads and complicating projects that cross county lines.

In October 2007 Illinois passed Public Act 095-0644, a law providing consistent valuation procedures for commercial wind farm equipment. For five years, beginning in the 2007 assessment year, wind energy devices larger than 500 kilowatts (kW) and producing power for commercial sale will be valued at $360,000/Megawatt (MW) of capacity, annually adjusted for inflation according to the U.S. Consumer Price Index. This figure is termed the *trended real property cost basis*. Because Illinois assesses property for property tax purposes at 1/3 of its fair cash value, in practice the assessed value of commercial wind energy property is $116,998/MW.

The law also defines an allowance for physical depreciation of the device, calculated by dividing the age of the turbine by 25 and then multiplying the result by the trended real property cost basis. The physical depreciation allowance may not exceed 70% of the trended real property cost basis, though additional depreciation allowances may be granted for functional or external obsolescence.

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ATTACHMENT I

New York

Incentives/Policies for Renewables & Efficiency

Local Option - Solar, Wind & Biomass Energy Systems Exemption

Last DSIRE Review: 08/11/2009

Incentive Type: Property Tax Exemption

State: New York

Eligible Renewable/Other Technologies: Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Wind, Biomass, Daylighting, Anaerobic Digestion

Applicable Sectors: Commercial, Industrial, Residential, Agricultural

Terms: 15-year exemption

Web Site: http://www.orps.state.ny.us/assessor/manuals/vol4/part1/section4.01/sec487.htm

Authority 1: NY CLS Real Property Tax, Article 4 § 487

Date Enacted: 1977; amended 1990, 2002, 2006

Date Effective: Before 7/1/88 or between 1/1/91 & 12/31/2010

Expiration Date: 12/31/2010

Summary:

Section 487 of the New York State Real Property Tax Law provides a 15-year real property tax exemption for solar and wind energy systems constructed in New York State. As currently effective, the law is a *local option* exemption, meaning that local governments are permitted decide whether or not to allow it. The exemption was mandatory prior to a 1990 reenactment in which the local option clause was added. The exemption is valid unless a government opts out of the exemption, as opposed to the more common practice of requiring governments to "opt-in" in order to offer an exemption.

In September 2002, the property tax exemption was expanded (S.B 6592) to include farm-waste energy systems, defined as systems and related equipment that generate electric energy from biogas produced by the anaerobic digestion of agricultural waste -- such as livestock manure, farming waste and food processing wastes. The maximum rated system capacity for eligible farm-waste energy systems is 400 kilowatts (kW). Senate Bill 5966A, enacted in July 2006, extended the previous January 1, 2006 expiration date until January 1, 2011.

The exemption applies to systems that are (a) existing or constructed prior to July 1, 1988 (mandatory), or (b) constructed subsequent to January 1, 1991, and prior to January 1, 2011 (local option). The law intends to encourage the installation of solar, wind and farm-waste energy equipment systems and to ensure property owners that their real property taxes will not increase as a result of the installation of these systems. The amount of the exemption is equal to the increase in assessed value attributable to the solar, wind or farm-waste energy system. The definition of solar includes passive solar heating systems such as mass wall and direct gain systems. The exemption applies only to general municipal and school district taxes; it cannot be applied to special assessments or special ad valorem levies.

With respect to systems constructed after January 1, 1991, and before January 1, 2011, each county, city, town, village and school district (except the city school districts of New York, Buffalo, Rochester, Syracuse and Yonkers) may choose whether to disallow the exemption. The option must be exercised by counties, cities, towns and villages through adoption of a local law and by school districts through adoption of a resolution. Click here for a list of local bodies that have opted not to offer the exemption. Alternately, a local government is permitted to require the property owner to enter into a contract for payments in lieu of taxes, not to exceed the amount payable without the exemption.

Definitions and guidelines for the eligibility for exemption of solar and wind-energy equipment are available at the web site shown above. Guidelines for farm-waste energy equipment are available from New York State Energy Research and Development Authority (NYSERDA).

Contact:

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ATTACHMENT J

Oklahoma

Incentives/Policies for Renewables & Efficiency

Zero-Emission Facilities Production Tax Credit

Last DSIRE Review: 06/04/2009

Incentive Type:	Corporate Tax Credit
State:	Oklahoma
Eligible Renewable/Other Technologies:	Solar Thermal Electric, Photovoltaics, Wind, Hydroelectric, Geothermal Electric
Applicable Sectors:	Commercial
Amount:	$0.0025/kWh - $0.0075/kWh for 10 years; amount varies depending on when the facility is placed in operation and when electricity is generated.
Maximum Incentive:	Not specified
Carryover Provisions:	Excess credit may be carried forward up to ten years.
Eligible System Size:	Facility must have a rated production capacity of 1 MW or greater.
Equipment/Installation Requirements:	Facility construction and operation must not result in the creation of pollution or emissions harmful to the environment, pursuant to determination by the DEQ.
Authority 1:	68 Okl. St. § 2357.32A
Date Enacted:	01/01/02, amended 2006
Date Effective:	01/01/03
Expiration Date:	12/31/2015

Summary:

For tax years beginning on or after January 1, 2003, a state income tax credit is available to producers of electric power using renewable energy resources from a zero-emission facility located in Oklahoma. The zero-emission facility must have a rated production capacity of one megawatt (1 MW) or greater. (The initial legislation required a 50 MW minimum capacity, but HB 1174 of 2006 reduced the minimum to 1 MW.) The facility must be placed in operation after June 4, 2001, and the electricity must be sold to an unrelated party.

The amount of the credit varies depending on when the electricity is generated (see below) and may be claimed for electricity generated on or after January 1, 2003 during a 10-year period following the date that the facility is placed in operation (after June 4, 2001).

Eligible renewable energy resources include wind, moving water, sun, and geothermal energy. The construction and operation of the zero-emission facility must result in no pollution or emissions that are or may be harmful to the environment, as determined by the Department of Environmental Quality.

Facilities placed in operation on or after January 1, 2003 and before January 1, 2007:
For electricity generated on or after January 1, 2003, but prior to January 1, 2004, the amount of the credit is seventy-five one hundredths of one cent ($0.0075) for each kilowatt-hour of electricity generated. For electricity generated after January 1, 2004, but prior to January 1, 2007, the amount of the credit is $0.0050/kWh. For electricity generated after January 1, 2007, but prior to January 1, 2012, the amount of the credit is $0.0025/kWh.

Facilities placed in service on or after January 1, 2007 and before January 1, 2016:

For electricity generated by these zero-emission facilities, the amount of the credit is $0.0050/kWh.

The tax credit is freely transferable at any time during the ten years following the year of qualification. This includes transfers or sales from non-taxable entities to taxable entities and transfers or sales from one taxable entity to another. To claim this credit, applicants must complete Tax Form 511CR, Schedule for Other Credits.

Contact:

Kylah McNabb
Oklahoma Department of Commerce
State Energy Office
900 N. Stiles St.
Oklahoma City, OK 73126
Phone: (405) 815-5249
Fax: (405) 605-2821
E-Mail: kylah_mcnabb@okcommerce.gov
Web Site: http://www.okcommerce.gov

Information Specialist - OTC
Oklahoma Tax Commission
Post Office Box 26800
Oklahoma City, OK 73126-0800
Phone: (405) 521-3160
E-Mail: helpmaster@mailhost.oktax.state.ok.us
Web Site: http://www.oktax.state.ok.us

Incentive Type: Industry Recruitment/Support (Income Tax Credit)
State: Oklahoma
Eligible Renewable/Other Technologies: Wind
Applicable Sectors: Industrial
Amount: Based on square footage of rotor swept area: $25.00/ft^2 for 2005 through 2012
Terms: Credit is transferable during the 10 years following qualification
Authority 1: 68 Okl. St. § 2357.32B
Date Effective: 01/01/03
Expiration Date: 12/31/2012

Summary:
Oklahoma offers an income tax credit to the manufacturers of small wind turbines for tax years 2003 through 2012. Oklahoma manufacturers of wind turbines with a rated capacity of between 1 kilowatt (kW) and 50 kW are eligible for the credit if they agree in advance to allow their production and claims to be audited by the Oklahoma Tax Commission. They must also be able to show that they have made economic development investments in Oklahoma over the period of time for which the credit was claimed that exceed the amount of credit claimed.

The turbine must incorporate advanced technologies such as new airfoils, new generators, and new power electronics and at least one unit of each model must have been installed for testing at the US-DOE National Wind Technology Center. All turbines must comply with appropriate interconnection safety standards of the Institute of Electrical and Electronics Engineers.

The credit amount varies based on the turbine's square footage of rotor swept area. The credit was $25.00 per square foot produced in 2003, $12.50 per square foot produced in 2004, and $25.00 per square foot produced each year from 2005-2012. The credit is transferable during the ten years following the year of qualification. To claim this credit, complete Tax Form 511CR, Schedule for Other Credits.

Contact:

Information Specialist - OTC
Oklahoma Tax Commission
Post Office Box 26800
Oklahoma City, OK 73126-0800
Phone: (405) 521-3160
E-Mail: helpmaster@mailhost.oktax.state.ok.us
Web Site: http://www.oktax.state.ok.us

Scott Greene
Oklahoma Wind Power Initiative
Environmental Verification and Analysis Center - University of Oklahoma
100 E. Boyd St., Suite 410
Norman, OK 73019
Phone: (405) 325-8870
Fax: (405) 325-6654
E-Mail: jgreene@ou.edu
Web Site: http://www.seic.okstate.edu/owpi/

ATTACHMENT K

Kansas

Incentives/Policies for Renewables & Efficiency

Renewable Energy Property Tax Exemption

Last DSIRE Review: 04/30/2009

Incentive Type: Property Tax Exemption
State: Kansas
Eligible Renewable/Other Technologies: Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric
Applicable Sectors: Commercial, Industrial, Residential
Amount: 100%
Authority 1: Kansas Statutes 79-201
Date Effective: 01/01/1999 (general)
01/01/2002 (non-electricity landfill gas)

Summary:
This statute exempts renewable energy equipment from property taxes. Renewable energy includes wind, solar thermal electric, photovoltaic, biomass, hydropower, geothermal, and landfill gas resources or technologies that are actually and regularly used predominantly to produce and generate electricity. In addition, beginning in the 2002 tax year all personal property used to collect, refine, and treat landfill gas or transport landfill gas from a landfill to a transmission pipeline (i.e., not necessarily used for electricity generation) is also exempt from property taxes. This provision was added by SB 192 of 2005.

Contact:

Ray Hammarlund
Kansas Corporation Commission
Energy Office
1300 SW Arrowhead Road, Suite 100
Topeka, KS 66604-4027
Phone: (785) 271-3179
Fax: (785) 271-3268
E-Mail: r.hammarlund@kcc.ks.gov
Web Site: http://www.kcc.state.ks.us/energy/index.htm

Incentive Type: Industry Recruitment/Support

State: Kansas

Eligible Renewable/Other Technologies: Solar Water Heat, Solar Thermal Electric, Photovoltaics, Wind

Applicable Sectors: Commercial, Industrial

Amount: Varies

Max. Limit: The State of Kansas may provide up to $5 million in financing to a solar or wind manufacturing project

Terms: Manufacturer must meet minimum requirements for investment in the state, number of employee, and salaries.

Authority 1: SB 108

Date Enacted: 4/6/2009

Expiration Date: 7/1/2013

Summary:
Manufacturing companies building solar or wind equipment or components thereof in Kansas may be eligible for financing through the Kansas Department of Commerce to support a research, development, engineering or manufacturing project. To qualify the project must result in $30 million in new investment in Kansas, the hiring of at least 200 new employees within 5 years, and the company must pay at least $32,500 of average annual compensation per Kansas employee.

The manufacturer must apply to the secretary of Commerce for financing. The secretary of Commerce will then request that the Kansas Development Finance Authority issue bonds to finance the project. Individual solar or wind projects are eligible for up to $5 million in financing. The principal and interest of the bonds are retired using the payroll tax withholding from the new jobs.

Contact:

Barbara Hake, CEcD
Kansas Department of Commerce
Business Recruitment Manager
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Phone: (913) 345-8347
E-Mail: bhake@kansascommerce.com
Web Site: http://www.ThinkBigKS.com

ATTACHMENT L

North Dakota

Incentives/Policies for Renewables & Efficiency

Renewable Energy Tax Credit (Corporate)

Last DSIRE Review: 04/17/2009

Incentive Type:	Corporate Tax Credit
State:	North Dakota
Eligible Renewable/Other Technologies:	Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Geothermal Electric, Geothermal Heat Pumps, Anaerobic Digestion, Renewable Fuels
Applicable Sectors:	Commercial, Industrial
Amount:	15% (3% per year for five years, for systems installed after 12/31/2000)
Maximum Incentive:	Not specified
Carryover Provisions:	Any credit in excess of the year's tax liability may be carried forward for the 5 succeeding tax years. All or part of credit may be sold, assigned or transferred to a power purchaser or to a North Dakota taxpayer that constructs or expands transmission lines.
Eligible System Size:	Not specified
Equipment/Installation Requirements:	System must be new and in compliance with all applicable performance and safety standards
Web Site:	http://www.nd.gov/tax//genpubs/energy.pdf
Authority 1:	ND Century Code 57-38-01.8 (See page 16)
Date Enacted:	03/26/2001
Date Effective:	01/01/2001
Expiration Date:	01/01/2011
Authority 2:	H.B. 1277
Date Enacted:	4/8/2009
Date Effective:	1/1/2009

Summary:
North Dakota allows any taxpayer -- an individual or corporation -- to claim an income tax credit of 3% per year for five years for the cost of equipment and installation of a system that uses geothermal, solar, biomass* or wind energy and that is installed after December 31, 2000. (For systems installed before January 1, 2001, the credit is taken in an amount equal to 5% per year for three years.) If the eligible device is part of a system that uses other energy sources, only the portion of the system that uses geothermal, solar, biomass or wind energy is eligible.

If the amount of the credit exceeds a taxpayer’s tax liability, the excess credit may be carried over to each of the five succeeding taxable years. Alternatively, all or part of the unused credit may be sold, assigned or otherwise transferred by the taxpayer to the purchaser of the electricity generated by the system as part of the consideration in a power purchase agreement (PPA), or to any North Dakota taxpayer that constructs or expands an electricity-transmission line in the state after August 1, 2007. A taxpayer may sell the credit to only one credit purchaser each taxable year. The credit purchaser is not permitted to sell, assign or otherwise transfer the credit. Gross proceeds received under a purchase agreement by a taxpayer who transfers a credit for the sale, assignment or transfer of the credit must be allocated to the state.

For individuals, the credit is generally allowed only on Form ND-2 (the optional method). For an estate or trust, the credit is allowed only on Form 38, Schedule 2 (the optional method). A corporation claims the credit on Form 40, Schedule TC. For geothermal systems installed after December 31, 2008, the credit is also

allowed on Form ND-1.

** "Biomass energy device" is defined as "a system using agricultural crops, wastes, or residues; wood or wood wastes or residues; animal wastes; landfill gas; or other biological sources to produce fuel or electricity."*

Contact:

Joe Murphy
North Dakota Department of Commerce
Division of Community Services
1600 East Century Avenue, Suite 2
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Bismarck, ND 58502-2057
Phone: (701) 328-5300
Fax: (701) 328-2308
E-Mail: jmurphy@nd.gov
Web Site: http://www.communityservices.nd.gov/Energy

Public Information - State Tax Commissioner
Office of the State Tax Commissioner
State Capitol
600 East Boulevard Ave.
Bismarck, ND 58505-0599
Phone: (701) 328-2770
E-Mail: taxinfo@nd.gov
Web Site: http://www.nd.gov/tax

Incentive Type:	Personal Tax Credit
State:	North Dakota
Eligible Renewable/Other Technologies:	Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Geothermal Electric, Geothermal Heat Pumps, Anaerobic Digestion, Renewable Fuels
Applicable Sectors:	Residential
Amount:	15% (3% per year for five years, for systems installed after 12/31/2000)
Maximum Incentive:	Not specified
Carryover Provisions:	Any credit in excess of the year's tax liability may be carried forward for the 5 succeeding tax years. All or part of credit may be sold, assigned or transferred to a power purchaser or to a North Dakota taxpayer that constructs or expands transmission lines.
Eligible System Size:	Not specified
Equipment/Installation Requirements:	System must be new and in compliance with all applicable performance and safety standards
Web Site:	http://www.nd.gov/tax//genpubs/energy.pdf
Authority 1:	ND Century Code 57-38-01.8 (See page 16)
Date Enacted:	03/26/2001
Date Effective:	01/01/2001
Expiration Date:	01/01/2011
Authority 2:	H.B. 1277
Date Enacted:	4/8/2009
Date Effective:	1/1/2009

Summary:

North Dakota allows any taxpayer -- an individual or corporation -- to claim an income tax credit of 3% per year for five years for the cost of equipment and installation of a system that uses geothermal, solar, biomass* or wind energy and that is installed after December 31, 2000. (For systems installed before January 1, 2001, the credit is taken in an amount equal to 5% per year for three years.) If the eligible device is part of a system that uses other energy sources, only the portion of the system that uses geothermal, solar, biomass or wind energy is eligible.

If the amount of the credit exceeds a taxpayer's tax liability, the excess credit may be carried over to each of the five succeeding taxable years. Alternatively, all or part of the unused credit may be sold, assigned or otherwise transferred by the taxpayer to the purchaser of the electricity generated by the system as part of the consideration in a power purchase agreement (PPA), or to any North Dakota taxpayer that constructs or expands an electricity-transmission line in the state after August 1, 2007. A taxpayer may sell the credit to only one credit purchaser each taxable year. The credit purchaser is not permitted to sell, assign or otherwise transfer the credit. Gross proceeds received under a purchase agreement by a taxpayer who transfers a credit for the sale, assignment or transfer of the credit must be allocated to the state.

For individuals, the credit is generally allowed only on Form ND-2 (the optional method). For an estate or trust, the credit is allowed only on Form 38, Schedule 2 (the optional method). A corporation claims the credit on Form 40, Schedule TC. For geothermal systems installed after December 31, 2008, the credit is also allowed on Form ND-1.

** "Biomass energy device" is defined as "a system using agricultural crops, wastes, or residues; wood or wood wastes or residues; animal wastes; landfill gas; or other biological sources to produce fuel or electricity."*

Incentive Type: Property Tax Assessment
State: North Dakota
Eligible Renewable/Other Technologies: Wind
Applicable Sectors: Commercial, Investor-Owned Utility
Amount: 70% or 85% reduction in property taxes, depending on project circumstances
Maximum Incentive: None specified
Terms: System must be centrally assessed, have a capacity of 100 kW or more, and be completed before January 1, 2011
Web Site: http://www.nd.gov/tax/taxincentives/property/propertytaxreduction.html
Authority 1: ND Century Code 57-06-14.1
Date Enacted: 2001 (amended and recodified in 2007)
Date Effective: 01/01/2001
Expiration Date: 01/01/2011

Summary:

In 2001, North Dakota began offering property tax reductions for commercial wind energy generation devices constructed before 2011. As originally designed, the law reduced the taxable value of centrally assessed* wind energy facilities larger than 100 kilowatts (kW) from 10% to 3% of their assessed value, resulting in a property tax savings of 70%. This law was recodified and amended several times during 2007, culminating in the establishment of slightly different tax valuation procedures for some installations.

Presently, all centrally assessed wind turbine electric generation units constructed after June 30, 2006, and before January 1, 2011, are valued at 1.5% of their assessed value, as are units which were constructed after April 30, 2005, and before July 1, 2006, and for which a power purchase agreement (PPA) was executed after April 30, 2005, and before January 1, 2006. For the latter, the reduced valuation is applicable only over the life of the original PPA. All other centrally assessed wind generation units are valued at the 3% level indicated in the original law.

North Dakota also offers a property tax exemption for some types of locally assessed renewable energy devices.

**While most property tax assessments in North Dakota take place at the local level, the State Board of Equalization values railroads, investor-owned utilities (IOUs), and airlines for property tax purposes. Thus, this reduction will typically apply only to IOUs engaged in the operation of commercial wind farms.*

Incentive Type: Property Tax Exemption

State: North Dakota

Eligible Renewable/Other Technologies: Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Wind, Geothermal Electric, Geothermal Heat Pumps, Direct-Use Geothermal, Storage Technologies

Applicable Sectors: Commercial, Industrial, Residential

Amount: 100%

Max. Limit: None

Terms: 5 years

Web Site: http://www.nd.gov/tax/property/forms/appexemptswgd.pdf

Authority 1: ND Century Code 57-02-08(27)

Date Enacted: 04/05/2007 (2007 amendment)

Date Effective: 07/01/2007 (2007 amendment)

Summary:
North Dakota exempts from local property taxes any locally-assessed* solar, wind or geothermal energy device. Qualifying systems can be stand-alone or part of a conventional system. For solar, wind or geothermal systems that are part of a conventional energy system, only the renewable energy portion of the total system is eligible. This exemption is applied only during the five-year period following installation. To apply for this exemption, system owners must contact their local tax assessor or county director of tax equalization.

North Dakota also offers a property tax reduction for centrally-assessed* wind energy systems larger than 100 kilowatts (kW). These systems are not eligible for the exemption described above.

** While most property tax assessments in North Dakota take place at the local level, the State Board of Equalization values railroads, investor-owned utilities (IOUs), and airlines for property tax purposes. The locally assessed provision was added in 2007 by H.B. 1072, presumably to clarify the different valuation procedures for commercial and non-commercial renewable energy facilities.*

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ATTACHMENT M

Wyoming

Incentives/Policies for Renewables & Efficiency

Renewable Energy Sales Tax Exemption

Last DSIRE Review: 03/18/2009

Incentive Type:	Sales Tax Exemption
State:	Wyoming
Eligible Renewable/Other Technologies:	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Small Hydroelectric
Applicable Sectors:	Commercial, Industrial, Utility, Projects Tied to an Existing Transmission Grid
Amount:	100% Exemption
Equipment Requirements:	Renewable technology MUST generate electricity to qualify
Authority 1:	Wyo. Stat. § 39-15-105(a)(viii)(N)
Date Effective:	07/01/2003
Expiration Date:	06/30/2012
Authority 2:	Wyo. Stat. § 39-16-105(a)(viii)(C)
Date Effective:	07/01/2003
Expiration Date:	06/30/2012
Authority 3:	HB 215
Date Enacted:	3/3/2009
Date Effective:	1/1/2010

Summary:

In 2003 the Wyoming legislature added sales of equipment used to generate electricity from renewable resources to the list of types of sales, purchases and leases which are exempt from the state excise tax. The exemption is limited to the acquisition of equipment used in a project to make it operational up to the point of interconnection with an existing transmission grid. Equipment eligible for the exemption includes wind turbines, generating equipment, control and monitoring systems, power lines, substation equipment, lighting, fencing, pipes and other equipment for locating power lines and poles. Equipment not eligible for the exemption includes tools and other equipment used in construction of a new facility, contracted services required for construction and routine maintenance activities and equipment utilized or acquired after the project is operational.

HB 215 of 2009 amended this exemption by establishing two separate expiration dates. For eligible renewable energy equipment with a net rating capacity of 25 kW or less, and systems used entirely off-grid, the expiration date remains June 30, 2012, as established by HB 319 of 2007. However, equipment where either the project developer is the land owner, or where the project developer has, prior to January 1, 2010, entered into a written contract with a landowner, the expiration date for the exemption is December 31, 2011. Project developers seeking this exemption will also have to meet other requirements for permitting and documentation as specified in HB 215.

Wyoming interprets its sales tax exemption statutes narrowly. If there are questions as to whether equipment qualifies for exemption, written inquiries for determinations are encouraged.

Contact:

Terri Lucero
Wyoming Department of Revenue

Excise Tax Division
Herschler Bldg, 2nd Floor West
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Cheyenne, WY 82002-0110
Phone: (307) 777-5293
E-Mail: TLUCER@state.wy.us
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ATTACHMENT N

New Mexico

Incentives/Policies for Renewables & Efficiency

Renewable Energy Production Tax Credit (Corporate)

Last DSIRE Review: 05/14/2009

Incentive Type:	Corporate Tax Credit
State:	New Mexico
Eligible Renewable/Other Technologies:	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Municipal Solid Waste, Anaerobic Digestion
Applicable Sectors:	Commercial, Industrial
Amount:	\$0.01/kWh for wind and biomass \$0.027/kWh (average) for solar (see below)
Maximum Incentive:	Wind and biomass: First 400,000 MWh annually for 10 years (i.e. \$4,000,000/year) Solar electric: First 200,000 MWh annually for 10 years (annual amount varies) Statewide cap: 2,000,000 MWh plus an additional 500,000 MWh for solar electric
Carryover Provisions:	Prior to 10/1/2007: Excess credit may be carried forward five years After 10/1/2007: Excess credit is refunded to the taxpayer
Eligible System Size:	Minimum of 1 MW capacity per facility
Equipment/Installation Requirements:	System must be in compliance with all applicable performance and safety standards; generators must be certified by the New Mexico Energy, Minerals, and Natural Resources Department (EMNRD).
Web Site:	http://www.cleanenergynm.org
Authority 1:	N.M. Stat. § 7-2A-19
Date Enacted:	3/4/2002, amended 2003, 2007
Date Effective:	7/1/2002
Expiration Date:	1/1/2018

Summary:
Enacted in 2002, the New Mexico Renewable Energy Production Tax Credit provides a tax credit against the corporate income tax of one cent per kilowatt-hour for companies that generate electricity from wind or biomass. Companies that generate electricity from solar energy receive a tax incentive that varies annually according to the following scale:

- Year 1: 1.5¢/kWh
- Year 2: 2¢/kWh
- Year 3: 2.5¢/kWh
- Year 4: 3¢/kWh
- Year 5: 3.5¢/kWh
- Year 6: 4¢/kWh
- Year 7: 3.5¢/kWh
- Year 8: 3¢/kWh
- Year 9: 2.5¢/kWh
- Year 10: 2¢/kWh

According to the EMNRD, this incentive averages 2.7¢/kWh annually.

For wind and biomass generators, the credit is applicable only to the first 400,000 megawatt-hours (MWh) of electricity in each of 10 consecutive taxable years. For solar, the credit is applicable only to the first 200,000

MWh of electricity in each taxable year. To qualify, an energy generator must have a capacity of at least 1 megawatt and be installed before January 2018.

Total generation from both the corporate and personal tax credit programs combined must not exceed two million megawatt-hours of production annually, plus an additional 500,000 MWh produced by solar energy. Taxpayers cannot claim both the corporate and the personal tax credit for the same renewable energy system.

For electricity generated prior to October 1, 2007, excess credit may be carried forward for up to five consecutive taxable years. For electricity generated on or after October 1, 2007, excess credit shall be refunded to the taxpayer in order to allow project owners with limited tax liability to fully utilize the credit.

The renewable energy production tax credit claim form and instructions provide additional information.

Contact:

Michael McDiarmid, P.E.
New Mexico Energy, Minerals and Natural Resources Department
Energy Conservation and Management Division
1220 South Saint Francis Drive
Santa Fe, NM 87505
Phone: (505) 476-3319
Fax: (505) 476-3322
E-Mail: mmcdiarmid@state.nm.us
Web Site: http://www.emnrd.state.nm.us/ecmd/

Incentive Type:	Corporate Tax Credit
State:	New Mexico
Eligible Efficiency Technologies:	Comprehensive Measures/Whole Building
Eligible Renewable/Other Technologies:	Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Photovoltaics, Wind, Daylighting
Applicable Sectors:	Commercial, Residential, Multi-Family Residential
Amount:	Varies based on the square footage of the building and the certification level
Carryover Provisions:	Excess credits may be carried forward for up to 7 years
Web Site:	http://www.cleanenergynm.org
Authority 1:	N.M. Stat. § 7-2A-21
Date Enacted:	4/2/2007
Date Effective:	1/1/2007
Authority 2:	SB 291
Date Enacted:	4/1/2009
Date Effective:	6/30/2009

Summary:

SB 463, enacted in April 2007, established a personal tax credit and a corporate tax credit for sustainable buildings in New Mexico. The tax credits apply to both commercial and residential buildings. Commercial buildings which have been registered and certified by the US Green Building Council at LEED* Silver or higher for new construction (NC), existing buildings (EB), core and shell (CS), or commercial interiors (CI) are eligible for a tax credit. The amount of the credit varies according to the square footage of the building and the level of certification achieved, as indicated on the following chart:

Commercial Buildings:

LEED Rating Level	Occupied Sq. Footage	Tax Credit/Sq. Ft.
LEED-NC Silver	First 10,000	$3.50
	Next 40,000	$1.75
	Over 50,000 and up to 500,000	$0.70
LEED-NC Gold	First 10,000	$4.75
	Next 40,000	$2.00
	Over 50,000 and up to 500,000	$1.00
LEED-NC Platinum	First 10,000	$.6.25
	Next 40,000	$3.25
	Over 50,000 and up to 500,000	$2.00
LEED-EB/CS Silver	First 10,000	$2.50
	Next 40,000	$1.25
	Over 50,000 and up to 500,000	$0.50
LEED-EB/CS Gold	First 10,000	$3.35
	Next 40,000	$1.40
	Over 50,000 and up to 500,000	$0.70
LEED-EB/CS Platinum	First 10,000	$4.40
	Next 40,000	$2.30

	Over 50,000 and up to 500,000	$1.40
LEED-CI Silver	First 10,000	$.1.40
	Next 40,000	$0.70
	Over 50,000 and up to 500,000	$0.30
LEED-CI Gold	First 10,000	$1.90
	Next 40,000	$0.80
	Over 50,000 and up to 500,000	$0.40
LEED-CI Platinum	First 10,000	$2.50
	Next 40,000	$1.30
	Over 50,000 and up to 500,000	$0.80

Residential buildings certified as sustainable homes can also qualify for a tax credit. Eligible residential buildings include single-family homes and multi-family homes which are certified as either Build Green NM** Silver or higher, or LEED-H Silver or higher, and Energy Star certified manufactured homes. The amount of the credit varies according to the square footage of the building and the level of certification achieved, as indicated on the following chart:

Residential Buildings:

Rating Level	Occupied Sq. Footage	Tax Credit/Sq. Ft.
LEED-H Silver or Build Green NM Silver	First 2,000	$5.00
	Next 1,000	$2.50
LEED-H Gold or Build Green NM Gold	First 2,000	$6.85
	Next 1,000	$3.40
LEED-H Platinum or Build Green NM Emerald	First 2,000	$9.00
	Next 1,000	$4.45
Energy Star Manufactured Home	Up to 3,000	$3.00

To receive the tax credit, the building owner must obtain a certificate of eligibility from the Energy, Minerals and Natural Resources Department after the building project has been completed. The Department will only grant certificates in any given calendar year until the equivalent of $5,000,000 worth of certificates for commercial buildings and $5,000,000 worth of certificates for residential buildings have been awarded in that calendar year. Further, no more than $1,250,000 of the annual amount for residential buildings can be applied to manufactured housing. Multi-family residential buildings are classified as residential buildings for the purpose of this tax credit. However, if the aggregate limit for residential tax credits has been reached for the year, the Department may issue certificates of eligibility under the annual aggregate limit for commercial buildings to owners of multi-family dwelling units provided that aggregate limit has not been reached as well.

The taxpayer must then present their certificate of eligibility to the Taxation and Revenue Department to receive a document granting the Sustainable Building Tax Credit. If the total amount of a Sustainable Building Tax Credit is less than $25,000, the entire amount of the credit can be applied to the taxpayer's income tax in that year. If the credit is more than $25,000 the credit will be applied in increments of 25% over the next 4 years. If a taxpayer's tax liability is less than the amount of credit due, the excess credit may be carried forward for up to seven years.

SB 291 of 2009 made the tax credit transferable for nonprofits. Although nonprofits are not taxed by the state, they can apply for the certificate of eligibility and sell the credit to an entity that does pay taxes. Additionally, people and entities who do not owe enough taxes to take full advantage of the tax credit also have the option of selling the tax credit.

A solar thermal system or a photovoltaic system may not be used as a component of qualification for this tax credit if a tax credit has already been claimed for it under the Solar Market Development Tax Credit.

**The USGBC LEED Rating System is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. Click here for more information on the national LEED program.*

Contact:

Tax Information Office
New Mexico Taxation & Revenue Department
P.O. Box 630
Santa Fe, NM 87504
Phone: (505) 827-0700
E-Mail: poffice@state.nm.us
Web Site: http://www.state.nm.us/tax/home.htm

Susie Marbury
New Mexico Energy, Minerals and Natural Resources Department
Energy Conservation and Management Division
1220 S. St. Francis Drive
Santa Fe, NM 87505
Phone: (505) 476-3254
Fax: (505) 476-3322
E-Mail: susie.marbury@state.nm.us
Web Site: http://www.emnrd.state.nm.us/ecmd/

Incentive Type: Industry Recruitment/Support

State: New Mexico

Eligible Renewable/Other Technologies: Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Renewable Fuel Vehicles, Geothermal Electric, Fuel Cells, Municipal Solid Waste, Batteries, Hybrid Electric Vehicles, Electric Vehicles, Anaerobic Digestion, Fuel Cells using Renewable Fuels

Applicable Sectors: Commercial, Industrial

Amount: Determined by New Mexico Department of Taxation and Revenue

Max. Limit: 5% of taxpayer's qualified expenditures

Terms: 5-year tax credit carryforward

Authority 1: N.M. Stat. § 7-9J-1 et seq.

Date Enacted: 4/3/2007

Date Effective: 7/1/2006

Summary:
The Alternative Energy Product Manufacturers tax credit may be claimed for manufacturing alternative energy products and components, including renewable energy systems, fuel cell systems, and electric and hybrid-electric vehicles. Alternative energy components include parts, assembly of parts, materials, ingredients or supplies that are incorporated directly into end-use products.

The total amount of the credit is approved by the Taxation and Revenue Department and is not to exceed five percent of the taxpayer’s qualified expenditures. A qualified expenditure is the purchase of manufacturing equipment made after July 1, 2006.

The alternative energy product manufacturers tax credit may only be deducted from the taxpayer's modified combined tax liability which is the total liability for the reporting period for the gross receipts, compensating tax, and withholding tax. Any portion of the alternative energy product manufacturers tax credit that remains unused at the end of the taxpayer's reporting period may be carried forward for five years. Click here for the forms required to claim the tax credit.

Contact:

Craig O'Hare
New Mexico Energy, Minerals and Natural Resources Department
Energy Conservation and Management Division
1220 S. St. Francis Drive
Santa Fe, NM 87505
Phone: (505) 476-3207
Fax: (505) 476-3322
E-Mail: craig.ohare@state.nm.us
Web Site: http://www.emnrd.state.nm.us/ecmd

Incentive Type:	Personal Tax Credit
State:	New Mexico
Eligible Renewable/Other Technologies:	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Municipal Solid Waste, Anaerobic Digestion
Applicable Sectors:	Commercial, Industrial, Residential, Agricultural
Amount:	$0.01/kWh for wind and biomass $0.027/kWh (average) for solar (see below)
Maximum Incentive:	Wind and biomass: First 400,000 MWh annually for 10 years (i.e. $4,000,000/year) Solar electric: First 200,000 MWh annually for 10 years (annual amount varies) Statewide cap: 2,000,000 MWh plus an additional 500,000 MWh for solar electric
Carryover Provisions:	Prior to 10/1/2007: Excess credit may be carried forward five years After 10/1/2007: Excess credit is refunded to the taxpayer
Eligible System Size:	Minimum of 1 MW capacity per facility
Equipment/Installation Requirements:	System must be in compliance with all applicable performance and safety standards; generators must be certified by the New Mexico Energy, Minerals, and Natural Resources Department (EMNRD).
Web Site:	http://www.cleanenergynm.org
Authority 1:	N.M. Stat. § 7-2-18.18
Date Enacted:	4/3/2007
Date Effective:	1/1/2008
Expiration Date:	1/1/2018

Summary:
Enacted in 2002, the New Mexico Renewable Energy Production Tax Credit provides a tax credit against the personal income tax of one cent per kilowatt-hour for companies that generate electricity from wind or biomass. Companies that generate electricity from solar energy receive a tax incentive that varies annually according to the following scale:

- Year 1: 1.5¢/kWh
- Year 2: 2¢/kWh
- Year 3: 2.5¢/kWh
- Year 4: 3¢/kWh
- Year 5: 3.5¢/kWh
- Year 6: 4¢/kWh
- Year 7: 3.5¢/kWh
- Year 8: 3¢/kWh
- Year 9: 2.5¢/kWh
- Year 10: 2¢/kWh

According to the EMNRD, this incentive averages 2.7¢/kWh annually.

For wind and biomass generators, the credit is applicable only to the first 400,000 megawatt-hours (MWh) of electricity in each of 10 consecutive taxable years. For solar, the credit is applicalbe only to the first 200,000 MWh of electricity in each taxable year. To qualify, an energy generator must have a capacity of at least 1 megawatt and be installed before January 2018.

Total generation from both the corporate and personal tax credit programs combined must not exceed two million megawatt-hours of production annually, plus an additional 500,000 MWh produced by solar energy. Taxpayers cannot claim both the corporate and the personal tax credit for the same renewable energy system.

For electricity generated prior to October 1, 2007, excess credit may be carried forward for up to five consecutive taxable years. For electricity generated on or after October 1, 2007, excess credit shall be refunded to the taxpayer in order to allow project owners with limited tax liability to fully utilize the credit.

The renewable energy production tax credit claim form and instructions provide additional information.

Contact:

Michael McDiarmid, P.E.
New Mexico Energy, Minerals and Natural Resources Department
Energy Conservation and Management Division
1220 South Saint Francis Drive
Santa Fe, NM 87505
Phone: (505) 476-3319
Fax: (505) 476-3322
E-Mail: mmcdiarmid@state.nm.us
Web Site: http://www.emnrd.state.nm.us/ecmd/

Incentive Type: Personal Tax Credit
State: New Mexico
Eligible Efficiency Technologies: Comprehensive Measures/Whole Building
Eligible Renewable/Other Technologies: Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Photovoltaics, Wind, Daylighting
Applicable Sectors: Commercial, Residential, Nonprofit, Multi-Family Residential
Amount: Varies based on the square footage of the building and the certification level
Carryover Provisions: Excess credits may be carried forward for up to 7 years
Web Site: http://www.cleanenergynm.org
Authority 1: N.M. Stat. § 7-2-18.19
Date Enacted: 4/2/2007
Date Effective: 1/1/2007
Authority 2: SB 291
Date Enacted: 4/1/2009
Date Effective: 6/30/2009

Summary:
SB 463, enacted in April 2007, established a personal tax credit and a corporate tax credit for sustainable buildings in New Mexico. The tax credits apply to both commercial and residential buildings. Commercial buildings which have been registered and certified by the US Green Building Council at LEED* Silver or higher for new construction (NC), existing buildings (EB), core and shell (CS), or commercial interiors (CI) are eligible for a tax credit. The amount of the credit varies according to the square footage of the building and the level of certification achieved, as indicated on the following chart:

Commercial Buildings:

LEED Rating Level	Occupied Sq. Footage	Tax Credit/Sq. Ft.
LEED-NC Silver	First 10,000	$3.50
	Next 40,000	$1.75
	Over 50,000 and up to 500,000	$0.70
LEED-NC Gold	First 10,000	$4.75
	Next 40,000	$2.00
	Over 50,000 and up to 500,000	$1.00
LEED-NC Platinum	First 10,000	$.6.25
	Next 40,000	$3.25
	Over 50,000 and up to 500,000	$2.00
LEED-EB/CS Silver	First 10,000	$2.50
	Next 40,000	$1.25
	Over 50,000 and up to 500,000	$0.50
LEED-EB/CS Gold	First 10,000	$3.35
	Next 40,000	$1.40
	Over 50,000 and up to 500,000	$0.70
LEED-EB/CS Platinum	First 10,000	$4.40
	Next 40,000	$2.30

	Over 50,000 and up to 500,000	$1.40
LEED-CI Silver	First 10,000	$.1.40
	Next 40,000	$0.70
	Over 50,000 and up to 500,000	$0.30
LEED-CI Gold	First 10,000	$1.90
	Next 40,000	$0.80
	Over 50,000 and up to 500,000	$0.40
LEED-CI Platinum	First 10,000	$2.50
	Next 40,000	$1.30
	Over 50,000 and up to 500,000	$0.80

Residential buildings certified as sustainable homes can also qualify for a tax credit. Eligible residential buildings include single-family homes and multi-family homes which are certified as either Build Green NM** Silver or higher, or LEED-H Silver or higher, and Energy Star certified manufactured homes. The amount of the credit varies according to the square footage of the building and the level of certification achieved, as indicated on the following chart:

Residential Buildings:

Rating Level	Occupied Sq. Footage	Tax Credit/Sq. Ft.
LEED-H Silver or Build Green NM Silver	First 2,000	$5.00
	Next 1,000	$2.50
LEED-H Gold or Build Green NM Gold	First 2,000	$6.85
	Next 1,000	$3.40
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	Next 1,000	$4.45
Energy Star Manufactured Home	Up to 3,000	$3.00

To receive the tax credit, the building owner must obtain a certificate of eligibility from the Energy, Minerals and Natural Resources Department after the building project has been completed. The Department will only grant certificates in any given calendar year until the equivalent of $5,000,000 worth of certificates for commercial buildings and $5,000,000 worth of certificates for residential buildings have been awarded in that calendar year. Further, no more than $1,250,000 of the annual amount for residential buildings can be applied to manufactured housing. Multi-family residential buildings are classified as residential buildings for the purpose of this tax credit. However, if the aggregate limit for residential tax credits has been reached for the year, the Department may issue certificates of eligibility under the annual aggregate limit for commercial buildings to owners of multi-family dwelling units provided that aggregate limit has not been reached as well.

The taxpayer must then present their certificate of eligibility to the Taxation and Revenue Department to receive a document granting the Sustainable Building Tax Credit. If the total amount of a Sustainable Building Tax Credit is less than $25,000, the entire amount of the credit can be applied to the taxpayer's income tax in that year. If the credit is more than $25,000 the credit will be applied in increments of 25% over the next 4 years. If a taxpayer's tax liability is less than the amount of credit due, the excess credit may be carried forward for up to seven years.

SB 291 of 2009 made the tax credit transferable for nonprofits. Although nonprofits are not taxed by the state, they can apply for the certificate of eligibility and sell the credit to an entity that does pay taxes. Additionally, people and entities who do not owe enough taxes to take full advantage of the tax credit also have the option of selling the tax credit.

A solar thermal system or a photovoltaic system may not be used as a component of qualification for this tax credit if a tax credit has already been claimed for it under the Solar Market Development Tax Credit.

**The USGBC LEED Rating System is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. Click here for more information on the national LEED program.*

***Click here for more information on Build Green NM.*

ATTACHMENT O

Wisconsin

Incentives/Policies for Renewables & Efficiency

Solar and Wind Energy Equipment Exemption

Last DSIRE Review: 09/28/2009

Incentive Type:	Property Tax Exemption
State:	Wisconsin
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Photovoltaics, Wind, Solar Pool Heating
Applicable Sectors:	Commercial, Industrial, Residential
Amount:	100%
Max. Limit:	None
Web Site:	http://www.revenue.wi.gov/forms/govexmpt/pr-303.pdf
Authority 1:	Wis. Stat. § 70.111(18)

Summary:
In Wisconsin, any value added by a solar-energy system or a wind-energy system is exempt from general property taxes. A solar-energy system is defined as "equipment which directly converts and then transfers or stores solar energy into usable forms of thermal or electrical energy, but does not include equipment or components that would be present as part of a conventional energy system or a system that operates without mechanical means." A wind-energy system is defined as "equipment which converts and then transfers or stores energy from the wind into usable forms of energy, but does not include equipment or components that would be present as part of a conventional energy system." Passive solar design elements do not qualify under these rules. The exemption applies regardless of whether the equipment is deemed real property or personal property. In order to qualify for the exemption, property owners must file a request for the exemption with their local assessor by March 1st following the January 1st assessment date for which the exemption is claimed.

Contact:

Information Officer
Wisconsin Department of Revenue
Bureau of Assessment Practices
PO Box 8971, MS 6-97
Madison, WI 53708-8971
Phone: (608) 266-7750
Fax: (608) 267-0835
E-Mail: bapdor@revenue.wi.gov
Web Site: http://www.revenue.wi.gov/index.html

Incentive Type:	Sales Tax Exemption
State:	Wisconsin
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Solar Thermal Process Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Solar Pool Heating, Anaerobic Digestion
Applicable Sectors:	Commercial, Industrial, Residential, General Public/Consumer
Amount:	100% exemption from sales and use tax for eligible purchases
Maximum Incentive:	None
Equipment Requirements:	Solar, wind, and anaerobic digesters must be capable of producing at least 200 watts of alternating current or 600 British thermal units per day
Authority 1:	Wis. Stat. § 77.54(30)
Date Effective:	1979 (subsequently amended)
Authority 2:	Wis. Stat. § 77.54(56)
Date Enacted:	10/26/2007 (subsequently amended)
Date Effective:	07/01/2011
Authority 3:	Wis. Stat. § 196.378(1)(ar)

Summary:

Note: Be aware that the exemption for solar, wind, and anaerobic digester systems, originally written to take effect July 1, 2009, has been amended by subsequent legislation pushing the effective date back to July 1, 2011.

Wisconsin has two sales tax exemptions that apply to renewable energy. Legislation enacted in 1979 exempts wood sold as a fuel for residential use from the state sales and use tax (Wis. Stat. § 77.54(30)). Residential use means use in a structure or portion of a structure which is the person's permanent residence. A clause was added in 2007 expanding the exemption to include sales of all biomass -- as defined in Wis. Stat. § 196.378 (1) (ar) -- used as fuel for residential use. This definition includes wood, energy crops, biological wastes, biomass residues, and landfill gas.

The original Wis. Stat. § 77.54(30) was also amended in 1987 to exempt from the state sales and use tax gross receipts from the sale of qualifying biomass residues used as fuel for business activity. Qualifying residues are defined as arising from the "harvesting of timber or the production of wood products, including slash, sawdust, shavings, edgings, slabs, leaves, wood chips, bark and wood pellets manufactured primarily from wood or primarily from wood residue."

Separately, legislation was enacted in 2007 (Wis. Stat. § 77.54(56)) to exempt wind, solar, and anaerobic digester systems from the sales and use tax, effective July 2009. However, in 2009 this section of code was was amended (2009 Act 29) to push the effective date of the exemption back to July 1, 2011. In order to be considered an eligible product, devices must be capable of producing at least 200 watts of alternating current or 600 British thermal units per day. The exemption under *does not apply* to uninterruptible power sources that are designed primarily for computers. The law also exempts "receipts from the sale of and the storage, use, or other consumption of electricity or energy" produced by a qualifying system.

Generally, purchasers must complete Form S-211, Sales and Use Tax Exemption Certificate and provide the completed form to the seller in order to claim the sales tax exemption. Questions should be directed to the Wisconsin Department of Revenue.

Contact:

Public Assistance - Sales Tax
Wisconsin Department of Revenue
P.O. Box 8949
Madison , WI 53708-8949
Phone: (608) 266-2776
Fax: (608) 267-1030
E-Mail: sales10@revenue.wi.gov
Web Site: http://www.revenue.si.gov