

PROPERTY TAX

Topics below are Energy related

- **California – Property** – Solar energy systems—exclusion sunset date.
- **The State Board of Equalization (SBE)** has issued a letter to county assessors regarding the statutory exclusion of construction of active solar energy systems from property tax assessment. This exclusion is incorporated in Cal. Rev. & Tax. Cd. § 73 which provides (1) that the term newly constructed does not include the construction or addition of any active solar energy system for property tax purposes, and (2) a sunset date of January 1, 2017. Eligible construction completed on an active solar energy system before January 1, 2017 will remain excluded from the definition of new construction under Cal. Rev. & Tax. Cd. § 73 until there is a subsequent change in ownership of the facility. Eligible new construction includes storage devices, power conditioning equipment, transfer equipment, and parts related to the functioning of those items. It includes only equipment used up to, but not including, the stage of conveyance or use of the electricity. All construction or addition of any active solar energy system on or after January 1, 2017 will be considered assessable new construction. (California State Board of Equalization Letter to Assessors 2013/042, 09/23/2013 .)
- **Colorado - Wind Energy Equipment Exemption** - Effective 08/08/2012, a personal property tax exemption is provided for equipment used in the development of wind energy until such equipment is first used in the business after acquisition. (Source: L. 2012, H1105 (c. 230))
- **Colorado** - Effective 03/19/2013, the following items are exempt from personal property tax: Systems exclusively using solar energy; Cogeneration systems that produce two forms of energy for industrial, commercial, heating or cooling purposes; Cogeneration systems will be exempt beginning October 1, 2016.
- **Tennessee** - Amendments Regarding the Valuation of Green Energy Source Property. Changes have been made to legislation regarding green energy source property valuation, effective 4/29/13:
 - The maximum wind source property value cannot initially exceed one-third of total assessed costs.
 - The maximum solar source property value cannot initially exceed 12.5% of total installed costs.
 - Other green source property's maximum value cannot initially exceed its appropriate capacity factor.
 - The assessor must take the above findings into account when determining the value of green source property at the initial appraisal and at each reappraisal. The comptroller must let the assessor know of locations of locally or centrally assessed certified or other green energy property on or before the scheduled reappraisal in each county.
- **Texas** - Beginning in the 2014 tax year, energy storage systems, defined as systems that store energy to be used at a later time, are exempt from property tax. These systems must be used for the control of air pollution in a nonattainment area and can include chemical, mechanical or thermal devices.
- **Texas – Property** – Solar energy property. Chief appraisers are now required to use the cost method of appraisal to determine the market value of commercial solar energy property constructed or installed on or after January 1, 2014. There is a state-mandated 20% depreciation floor on the property.
- **Connecticut – Property** – Renewable energy source exemption. L. 2013, S203 (P.A. 13-61), effective from passage, exempts, for assessment years starting on and after October 1, 2014, Class I renewable energy sources (solar or wind power), Class II hydropower facilities, and solar thermal (solar heated water) or geothermal renewable energy sources that are installed on or after January 1, 2014; are for energy generation or displacement for commercial or industrial purposes, and do not have a nameplate capacity that exceeds its location's load. In a distressed municipality with a population between 125,000 and 135,000, the exemption is applicable to assessment years beginning on and after October 1, 2013 and applies to the same renewable energy sources installed as early as January 1, 2010. For assessment years starting on or after October 1, 2013, the bill allows municipalities to abate up to 100% of the property taxes on these same renewable energy sources if they were installed between January 1, 2010 and December 31, 2013. The exemption must be approved by the municipality's legislative body, or, if the legislative body is a town meeting, the board of selectmen. The energy source or facility receiving the abatement cannot be in a distressed municipality with a population between 125,000 and 135,000.



- **Missouri** - Solar systems not held for resale are exempt from property taxation. 7/12/2013, H142.
- **Florida** - Exemption for renewable energy source device. Recent legislation, which is effective July 1, 2013, and applies to assessments beginning January 1, 2014, enacts Fla. Stat. § 196.624 , which prohibits considering the installation of a renewable energy source device when determining the assessed value of real property used for residential purposes. A definition for “renewable energy source device” is also provided. This will affect changes or improvements made on or after January 1, 2014. The law also repeals the renewable energy source exemption under Fla. Stat. § 196.175 . (Florida Technical Bulletin PTO-13-07, 07/31/2013 .)
- **DC**—Solar and Cogeneration Energy Systems: Solar systems are exempted from personal property tax. Starting 10/01/2016, cogeneration systems are also exempted from personal property tax.
- **Vermont — Property** — Delay in administration of new solar plant tax. The Vermont Legislature created a new capacity tax for certain solar plants that generate over 10kW in 2012. Because of the delay in administration, owners of plants subject to the new capacity tax will have adequate time to pay the tax without incurring a late penalty once the form has been released by the Department. (Clarification on Taxation of Solar Plants used to Generate Electricity, 05/31/2013.)

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