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Inventory of State Solar Property Tax Treatments

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As solar development increases, states face new challenges in regulating and taxing solar facilities. To better understand an important piece of the current regulatory landscape for solar, this study inventories property tax treatment for utility-scale solar development across all 50 states. This inventory was created entirely with publicly available information from a variety of web-based sources, and is accurate as of June 2021. In addition to this inventory, we have also written a descriptive summary and analysis of this legislation,¹ along with an interactive map displaying the data.² There is also a parallel inventory of wind energy property tax treatment.³

This inventory is intended to serve as a resource to simplify and promote future research on the impact of state policy on solar energy developments. To facilitate this use, each state's tax policy has been placed into one of three defined tax categories:

- **Exemption and Replacement:** legislation exempts solar projects from ad valorem property taxes and replaces those taxes with another form of regularized payment, such as payment in lieu of taxes (PILOT), nameplate capacity excise tax, or solar production tax. Although the mechanism and ultimate outcome of this form of taxation vary between states, this treatment replaces an irregular set of payments based on depreciating assessed property values with a more regular set of payments.
- **Abatement or Exemption:** some or all of the assessed costs of a utility-scale solar development are either reduced or exempt from property tax. The total effective property tax reduction varies between states, and some states may have eligibility requirements or time limits on these tax benefits.
- **No Special Treatment:** there is no legislation to address utility-scale solar energy development. Thus, solar installations are subject to valuation by local property assessors and unidentified taxation methods.

Additionally, this inventory highlighted states in which municipalities retained local control, defined as:

- **Local Control:** the decision on whether to grant a special property tax treatment is decided at the county or township level. This control can act as a potential veto point for localities that may not have siting authority over utility-scale solar projects. This category is not discrete from the prior types of tax treatment and is evident in some, but not all, of the legislation affecting utility-scale solar development.

¹ Gold, E. (2021). Solar Energy Property Taxation. Available at: <http://closup.umich.edu/research/solar-energy-property-taxation>

² Hintz, O., Gold, E., and Uebelhor, E. "Tax Treatments for Solar Energy Development in the United States" [map]. 1:36,978,595. "State Solar Property Tax Treatments." June 10, 2021. <http://www.arcgis.com/apps/dashboards/9b8b2ed6738648b09a4f7c938e4c42a2>

³ Uebelhor, E., Hintz, O., and Gold, E. (2021). Inventory of State Wind Property Tax Treatments. Available at: <http://closup.umich.edu/research/working-papers/inventory-state-wind-property-tax-treatments>

Summary of Solar Property Tax Treatment

| State | Type of Property Tax Treatment | State | Type of Property Tax Treatment |
|---------------|--------------------------------|----------------|--------------------------------|
| Alabama | Abatement or Exemption* | Montana | Abatement or Exemption* |
| Alaska | None | Nebraska | Exemption and Replacement |
| Arizona | Abatement or Exemption | Nevada | Abatement or Exemption |
| Arkansas | None | New Hampshire | Exemption and Replacement* |
| California | Abatement or Exemption | New Jersey | None |
| Colorado | Abatement or Exemption* | New Mexico | None |
| Connecticut | Abatement or Exemption* | New York | Exemption and Replacement* |
| Delaware | None | North Carolina | Abatement or Exemption |
| Florida | Abatement or Exemption | North Dakota | Exemption and Replacement |
| Georgia | None | Ohio | Exemption and Replacement* |
| Hawaii | None* | Oklahoma | None |
| Idaho | Exemption and Replacement | Oregon | Exemption and Replacement |
| Illinois | Abatement or Exemption | Pennsylvania | None |
| Indiana | None | Rhode Island | Abatement or Exemption* |
| Iowa | None | South Carolina | None |
| Kansas | Abatement or Exemption | South Dakota | Exemption and Replacement |
| Kentucky | None | Tennessee | Abatement or Exemption |
| Louisiana | None | Texas | None |
| Maine | None | Utah | None |
| Maryland | Exemption and Replacement | Vermont | Exemption and Replacement* |
| Massachusetts | None* | Virginia | Abatement or Exemption* |
| Michigan | None | Washington | None |
| Minnesota | Exemption and Replacement | West Virginia | None |
| Mississippi | None | Wisconsin | Abatement or Exemption |

| | | | |
|----------|------------------------|---------|------|
| Missouri | Abatement or Exemption | Wyoming | None |
|----------|------------------------|---------|------|

* = involves local government control

State Details

Alabama

Alabama allows utilities that develop “alternative energy sources” with capital costs of over \$100 million to apply for full property tax abatements on new projects. Abatements apply only to non-educational taxes. Abatements are subject to the approval of their relevant taxing authorities and can only be approved for ten years at a time with a maximum of twenty years of abatement.

Relevant Legislation and/or Code: [Code of Ala. § 40-8-1](#), [revenue.alabama.gov \(Summary](http://revenue.alabama.gov)

Alaska

Alaska has no special property tax treatment for utility-scale solar. However, there are some exemptions or partial exemptions available at the local level for residential solar installations.

Relevant Legislation and/or Code: [Alaska Stat. § 29.45.050](#)

Arizona

Arizona gives an 80% property tax exemption to renewable energy installations that sell power into the grid--“energy must not be used on-site.” Renewable energy installations that produce electricity for on-site use are fully exempt from property taxes.

Relevant Legislation and/or Code: [A.R.S. § 42-14155](#), [H.B. 2332](#), [A.R.S. §§ 42-11051 through 42-11053](#)

Arkansas

Arkansas has no special property tax treatment for solar energy production in any sector.

California

California has a property tax exclusion for all new solar property. Rather than assessing the property and then exempting the value of the solar from the taxable property, new solar installations are not assessed at all. They are deemed to add no value to the real property on which they are built. Solar installations built by private companies on public lands are not subject to property taxes but are subject to possessory interest taxes. Utility-scale solar energy facilities built on federal lands do not receive the property tax exclusion.

Relevant Legislation and/or Code: [California's Revenue and Taxation Code, Section 73](#), [Taxable Possessory Interests](#)

Colorado

Colorado assesses renewable energy facilities differently for those over 2MW and those under 2MW. Facilities under 2 MW are assessed locally and may be offered property tax benefits by local taxing authorities. Facilities over 2 MW are assessed at the state level using a formula that values renewable energy projects at a per kW cost based on the cost of a non-renewable energy generation facility of a similar capacity. The formula used to calculate this value has changed several times since implementing this assessment regime in 2001.

Relevant Legislation and/or Code: [§§ 39-4-102\(1\)\(e\) and § 39- 5-104.7, C.R.S.](#), [Summary](#)

Connecticut

Connecticut allows municipalities to exempt some or all of the property taxes for solar facilities engaged in power purchase agreements (PPA) for up to the length of the PPA. Connecticut also allows municipalities to exempt some or all of the property taxes for solar facilities that produce power for onsite use at commercial or industrial facilities.

Relevant Legislation and/or Code: [CGS § 16-1](#), [CGS § 12-81 \(57\)](#), [P.A. 13-61](#), [Summary](#)

Delaware

All personal property in Delaware is exempt from property taxes. Delaware broadly exempts photovoltaic equipment from property taxes by defining it as personal property.

Relevant Legislation and/or Code: [Del. Title 9 § 8101](#), [Barnes, Laurent, et al. \(2013\). 59-60](#)

Florida

Florida provides a 100% property tax exemption for residential renewable energy property and an 80% property tax exemption for non-residential renewable energy property.

Relevant Legislation and/or Code: [Florida Statutes § 193.624](#), [DSIRE](#)

Georgia

Georgia currently has no special property tax treatment for solar energy production in any sector.

Hawaii

Property tax treatments in Hawaii are determined at the county level. Two of Hawaii's counties offer property tax exemptions for renewable or "alternative" energy projects, including solar.

Honolulu County grants a real property tax exemption for all alternate energy improvements for

25 years. Kauai County grants a 100% property tax exemption on alternative energy production and a 50% property tax exemption on the underlying land. In exchange, Kauai County requires alternative energy developers to pay 1% of the gross income generated from electricity sales to the county. If an alternative energy project is 100% owned by a public utility, it is subject to a different taxation regime.

Relevant Legislation and/or Code: [Honolulu Code 8-10.15](#), [Kaua'i County Code Sec. 5A-11.30](#)

Idaho

In Idaho, utility-scale projects not owned by a regulated utility are 100% exempt from paying taxes on real estate, fixtures, or property related to their renewable energy systems. In place of these property taxes, solar energy producers must pay a tax of 3.5% of gross energy earnings.

"Gross energy earnings" is defined as the gross receipts of solar generation from the distribution, delivery, and sale to a customer for the direct use or resale of electrical energy generated, manufactured, or produced utilizing solar energy.

Relevant Legislation and/or Code: [H.B. 534 \(2016\)](#), [Idaho Statutes § 63-3502B](#)

Illinois

Illinois' property tax treatment for utility-scale "commercial" solar is called "fair cash value assessment." In 2018, in counties with under three million inhabitants, utility-scale solar projects (those over 2MW) became eligible for fair cash value assessment of its solar property. Under this tax treatment, a utility-scale solar energy system is valued at \$218,000 per MW of nameplate capacity. This valuation includes the land within the project boundaries and real property improvements (ground-mounted solar equipment is considered real property in Illinois).

Assessors add an inflationary increase to this initial nameplate valuation, called a “trending factor,” with 2018 as the trending factor’s start date. The result is the “trended real property cost basis.” An amount for depreciation is then subtracted from the trended real property cost basis to determine the taxable value for the current assessment year. The formula is thus: (\$218,000 X trending factor) - depreciation.

Relevant Legislation and/or Code: [35 ILCS 200/10-720](#), [20 ILCS 3855/1-10](#)

Indiana

Indiana currently has no special property tax treatment for utility-scale solar. However, solar systems designed for onsite use--the net power produced in a year is less than that consumed--are exempt from property taxes. Furthermore, Indiana counties have the authority to sign tax abatement agreements for new business personal property; this can include large-scale solar projects. Abatement agreements are limited to ten years but can be extended for another ten years for a maximum of twenty years of abatement.

Relevant Legislation and/or Code: Ind. [Code § 6-1.1-12-26](#), [SEA1](#)

Iowa

In Iowa, utility-scale solar installations and almost all energy generation equipment are subject to a full tax exemption with an equivalent “replacement tax” levied as an excise tax. This tax treatment allows Iowa to tax both in-state energy production and energy sold into the state; however, it does not directly incentivize utility-scale solar development in Iowa. Solar generation built for onsite use, applying to residential, commercial, and industrial sites, is subject to a full property tax waiver for five years.

Relevant Legislation and/or Code: [Iowa Code 2020, Section 441.21 \(61, 4, 8\)](#), [Replacement Tax Summary](#)

Kansas

Kansas statute exempts renewable energy equipment from property taxes if an application for an exemption is filed for the property on or before December 31, 2016. Exemptions filed after December 31, 2016, are limited to the ten taxable years immediately following the year in which construction or installation of such property is completed.

Relevant Legislation and/or Code: [K.S.A. § 79-201](#)

Kentucky

Kentucky has no special property tax treatment for utility-scale solar. Kentucky has some other tax incentives for renewables.

Relevant Legislation and/or Code: [KRS 154.27-010 through 154.27-090](#)

Louisiana

Louisiana has no special property tax treatment for utility-scale solar. However, there is a full property tax exemption for residential solar installations in Louisiana.

Relevant Legislation and/or Code: [RS 47:1706](#)

Maine

Maine has no special property tax treatment for utility-scale solar installations. However, Maine does have tax exemptions for solar power generated for onsite use. Maine's exemptions are

based on a broad 2019 bill, LD 1711, which provides a wide variety of incentives for distributed solar development, including industrial, commercial, and residential projects.

Relevant Legislation and/or Code: [Sec. 1. 36 MRSA §656, sub-§1, LD 1711](#)

Maryland

Maryland provides a 100% exemption on real property taxes for most "solar energy property" but requires developers to make payments in lieu of taxes (PILOT) on utility-scale solar projects over 2MW. If sited on farmland, a solar development must pay \$2,500 per MW of nameplate capacity; if sited elsewhere, a development must pay only \$2000 per MW of nameplate capacity. If a utility-scale project is sited in a city, \$500 of the PILOT payments must be made to the municipality.

Relevant Legislation and/or Code: [S.B. 621\(2009\)](#), [S.B. 610 \(2019\)](#), [\(Md Code: Property Tax §7-242\)](#)

Massachusetts

Massachusetts has no special property tax treatment for utility-scale solar. However, when Massachusetts restructured its electricity market in 1997, it built in a generic payment in lieu of taxes (PILOT) agreement for all generation facilities in Massachusetts. These payments are negotiable but are frequently used for utility-scale solar installations. Massachusetts has a 100% property tax exemption on solar energy systems for 20 years whose purpose is heating or otherwise supplying the energy needs of taxable property.

Relevant Legislation and/or Code: [M.G.L. ch. 59 § 5 \(45, 45A\)](#), [M.G.L. ch. 59 §38H\(Acts of 1997 Chapter 164, Section71\(b\)\)](#), [Summary of Existing PILOT agreements](#)

Michigan

Michigan has no special property tax treatment for utility-scale solar. Small solar installations in Michigan can attain property tax exemptions. For an installation to qualify for Michigan's property tax exemption, it must offset all or a portion of the energy use for the property and generate less than 150 kW. In 2019 Michigan passed legislation that exempts alternative energy systems below \$80,000 and residential solar panels from property taxes. Similar legislation had expired in 2012.

Relevant Legislation and/or Code: [H.B. 4069](#), [H.B. 4465](#), [Summary of Legislation](#)

Minnesota

Under H.B. 3167, beginning with taxes payable in 2015, "personal property consisting of solar energy generating systems is exempt from property taxation." However, the real property on which the solar energy generating system is built is still subject to property tax. In place of property taxes, Minnesota has placed a production tax on utility-scale solar. The production tax for electricity generated by solar is \$1.20 per megawatt-hour (MWh) for systems exceeding 1 MW (AC); smaller systems are exempt from the production tax. The solar energy production tax is considered a personal property tax. Residential solar installations are fully exempt from property taxes.

Relevant Legislation and/or Code: [H.B. 3167](#), [Statute 272.02](#)

Mississippi

Mississippi has no special property tax treatment for utility-scale solar. However, according to Mississippi property tax law, local governing authorities can request certain industries be exempt

from ad valorem taxation. There are no property tax benefits for residential, commercial, or industrial solar in Mississippi.

Relevant Legislation and/or Code: [Miss. Code Ann. Sections 27-31-101 to 27-31-117](#), [Example of Property Tax Waiver for Utility-Scale Solar](#)

Missouri

Missouri provides “solar energy systems not held for resale” a 100% exemption from state, local, and county property taxes. Currently, this is interpreted as all solar systems including residential, commercial, industrial, and utility.

Relevant Legislation and/or Code: [137.100 R.S. Mo.](#), [State Tax Commission of Missouri Assessor Manual p.34 \(2021\)](#)

Montana

The utility-scale solar industry is classified as a desirable new industry under the Montana tax code. Under this classification, solar facilities that produce more than one megawatt of energy are taxed at 50% of their full taxable value in their first year, which increases year after year for ten years until they reach their full taxable value. However, Montana Cities and counties hold the ultimate authority to reject an adjusted tax rate for a solar facility if they feel it would negatively impact their schools and communities. Additionally, Montana exempts up to \$100,000 of capital investment from property taxes at multi-family and non-residential solar facilities for up to ten years after the facility is installed.

Relevant Legislation and/or Code: [MCA § 15-32-102](#), [MCA § 15-6-225](#), [MCA § 15-24-1402](#), [MCA § 15-32-402](#)

Nebraska

In Nebraska, depreciable tangible personal property used to produce renewable energy is exempt from property taxes. Instead, such property is taxed through a nameplate capacity excise tax that collects \$3,518 per megawatt. When Nebraska implemented this exemption in 2010, it only applied to wind, but it was expanded to solar and other forms of renewable energy in 2015.

Relevant Legislation and/or Code: [Nebraska 77-6203](#), [LB 1048](#), [Summary](#)

Nevada

Nevada Solar facilities are eligible for a 55% tax abatement for 20 years if they fulfill certain employment obligations and commit to staying in the state for ten years. To be eligible, solar developers must pay construction workers 175% of the average state hourly wage and give them benefits; full-time employees must receive 110% of the average hourly wage. There are further eligibility requirements for the tax abatement based on total capital investment and the percentage of solar jobs going to in-state workers. Solar facilities that are qualified for the state's net metering program are fully exempt from property taxes. Nevada solar developments are considered real property, not personal property, and depreciate at 1.5% per year on a straight-line basis.

Relevant Legislation and/or Code: [NRS 701A.360 - NRS 701A.390](#), [Barnes, Laurent, et al. \(2013\). 79-80](#)

New Hampshire

In New Hampshire, “utility property,” including solar facilities, are exempt from the state’s education property tax but are taxed by the state at a rate of 6.6 mils, which is higher than the current education tax. Utility property is still subject to property taxes levied at the local level. New Hampshire does not offer solar facilities any state-level property tax benefits, but the state’s tax code permits localities to enter into payment in lieu of taxes(PILOT) agreements with solar facilities. However, these are negotiated on a case-by-case basis and vary tremendously. There is no legal description of what constitutes utility-scale solar in New Hampshire, but net-metering is cut-off at 1MW for behind-the-meter solar, so any generation producing more than 1MW is likely to be considered utility property.

Relevant Legislation and/or Code: [RSA 83-F:2](#), [RSA 83-F:9](#), [NH Rev Stat § 72:74 \(2015\)](#),

[Example PILOT Agreement](#)

New Jersey

New Jersey has no special property tax treatment for utility-scale solar. However, New Jersey does not tax business personal property, so unless assessed as real property, solar property will go untaxed, which, according to one 2013 report, is often the case (Barnes, et al, 2013).

Furthermore, certified solar energy systems on any building--residential, commercial, or industrial are explicitly exempt from taxation. New Jersey also has also passed laws specific to solar energy facilities on farmland, allowing the underlying property to maintain eligibility for assessment under the New Jersey Farmland Assessment Act. To meet these eligibility standards, the system must be under 2MW, the power generated must be primarily used onsite, and the land beneath the panels must still support agricultural processes by offering shade or grazing areas.

Relevant Legislation and/or Code: [NJ Rev Stat § 54:4-3.114 \(2013\)](#), [New Jersey S.B. 1538](#), [Barnes, Laurent, et al. \(2013\). 81.](#)

New Mexico

New Mexico has no special property tax treatment for utility-scale solar. Residential rooftop solar is exempt from property taxes in New Mexico.

Relevant Legislation and/or Code: [7-36-21.2 NMSA 1978](#)

New York

Under 2020 N.Y. Real Property Law §487, New York allows all applicable renewable energy facilities to apply for 15-year property tax exemptions. Host communities ultimately have veto power over tax exemptions and the ability to negotiate payment in lieu of taxes agreements (PILOT) agreements with developers. PILOT payments can range from a full exemption to a capped value of ad valorem tax equivalency. This provision applies only to developments built prior to 2025. Furthermore, according to [renewableenergypost.com](#), “in an order issued on February 11, 2021, the New York State Public Service Commission... established a ‘host community benefit program’ through which owners of large-scale renewable energy facilities (25 MW+) would pay \$500/MW (for solar) or \$1,000/MW (for wind) each year for the first 10 years of project operation to be distributed equally among all residential utility customers residing in the municipality where the facility would be located.”

Relevant Legislation and/or Code: [N.Y. Real Property Tax Law §487](#), [Renewable Energy Post](#)

North Carolina

In North Carolina, non-residential photovoltaic systems are subject to an 80% property tax exemption. Residential photovoltaic systems are subject to a 100% property tax exemption.

Relevant Legislation and/or Code: [N.C. Gen. Stat. § 105-275 \(45\)](#), [DSIRE](#)

North Dakota

North Dakota energy projects over 100kW that are not wind or coal projects are exempt from property taxes but must make payments in lieu of taxes. These payments amount to \$500 per MW of nameplate generation and one mill per kWh of energy produced. This exemption applies only to the energy-producing equipment, not to the real property or any associated facilities built on site. All machinery and equipment involved in solar energy generation on locally assessed property are fully exempt from property taxes for the first five years of the installation's life. All residential solar installations and many commercial and industrial solar installations are assessed locally. All solar installations built by a public utility are assessed at the state level.

Relevant Legislation and/or Code: [N.D.C.C. §57-02-08](#), [N.D.C.C. §57-33.2](#) (04-05),
[N.D.C.C. §11-18-02.2](#)

Ohio

Solar developments under 250kW AC in nameplate capacity are fully exempt from property taxes. Solar developments over 250kW are eligible for payment in lieu of taxes (PILOT) in Ohio. For a solar developer to qualify for a PILOT agreement, they must hire at least 80% in-state labor. PILOT payments are a minimum of \$7,000 per MW AC of nameplate capacity, but local authorities can negotiate an additional \$2000 per MW AC for a potential total of \$9000.

Relevant Legislation and/or Code: [OpenEI](#), [ORC§5727.75](#)

Oklahoma

Oklahoma has no special property tax treatment for utility-scale solar.

Relevant Legislation and/or Code: [Okl. Const. Art. X, § 8, § 68-2808](#)

Oregon

All solar facilities primarily designed to offset on-site energy usage are exempt from Oregon property taxes. Additionally, the state allows interested counties and municipalities to enter into 20-year payment in lieu of taxes (PILOT) agreements with developers. Under these PILOT agreements, developers pay \$7,000 per MW of nameplate capacity. Finally, a county, a city in a rural area, or a combination of contiguous counties may apply to the state for designation as a Rural Renewable Energy Development Zone in which up to 250 million dollars worth of solar developments would be exempt from local property taxes.

Relevant Legislation and/or Code: [ORS 285C.353](#), [ORS 285C.359](#), [ORS 307.175](#)

Pennsylvania

Pennsylvania has no special property tax treatment for utility-scale solar.

Rhode Island

Rhode Island has a full property tax exemption for all residential and industrial renewable energy resources, including solar. Any commercial renewable energy resource that a town or city deems beneficial or desirable to their community may be granted a property tax exemption or “property tax stabilization” (partial exemption) for up to 20 years.

Relevant Legislation and/or Code: [R.I.G.L. 44-3-3](#), [H.8354](#), [R.I.G.L. 44-3-9](#)

South Carolina

South Carolina has no special property tax treatment for utility-scale solar. South Carolina has passed a variety of other legislation incentivizing solar development.

Relevant Legislation and/or Code: [S.C. H.3659](#), [S.B. 0626](#)

South Dakota

South Dakota fully exempts solar facilities with over 5MW of nameplate capacity from property taxes. However, solar facilities 5MW or larger must pay \$3000 per MW nameplate capacity and a \$.90/MWh production tax. For solar projects under 5MW, the first fifty thousand dollars of the assessed value of the renewable energy property or seventy percent of the assessed value of the renewable energy property, whichever is greater, is exempt from the real property tax.

Relevant Legislation and/or Code: S.D.C.L. : [10-35-18](#), [10-35-16](#), [10-35-19.1](#), [10-4-44](#)

Tennessee

Tennessee county assessors can set property taxes no higher than 12.5 percent of the initial installation costs of a solar development. Furthermore, different scales of solar facility (utility, commercial, industrial or residential) are assessed as different types of property (real or personal). Real and personal property are assessed and depreciated differently, thus project use and scale will further determine how much total property taxes are paid on solar developments.

Relevant Legislation and/or Code: [Tenn. Code § 67-5-601](#), [Barnes, Laurent, et al. \(2013\). 90-91](#)

Texas

Texas has no special property tax treatment for utility-scale solar. However, there are two chapters in the Texas Tax Code that create pathways for large property tax exemptions for solar developers. These are Chapters 312 and 313. Chapter 312 gives cities and counties the right to designate reinvestment zones in which they can offer ten-year property tax abatement agreements. These abatements do not apply to school taxes. Chapter 313 allows for ten-year property tax abatements by school districts based on whether or not developments produce new jobs. Both chapter 312 and 313 abatement agreements are subject to local control. The law governing chapter 313 abatements is set to expire in 2022, but it is expected to be renewed during the 2021 legislative session. Additionally, the Texas tax code specifies that any increases in a property's value due to the creation of a solar facility that generates electricity for on-site use are exempt from property taxation.

Relevant Legislation and/or Code: [Texas Tax Code 11.27](#), [Texas Economic Development Act \(Chapter 313\)](#), [Property Redevelopment and Tax Abatement Act \(Chapter 312\)](#), [Solar Industry Mag](#)

Utah

Utah has no special property tax treatment for utility-scale solar. However, Utah does provide other tax incentives for solar projects through the Alternative Energy Development Incentive.

Relevant Legislation and/or Code: [Utah Code § 63M-4-502](#), [Utah Code § 59-7-614.7](#)

Vermont

Solar plants in Vermont are not required to pay the state's educational tax. Solar plants with a nameplate capacity of over 50kW are subject to a \$4.00/kW nameplate capacity tax instead of the state's educational tax; solar plants smaller than 50kW are not required to pay the nameplate capacity tax. Net-metering facilities and facilities built exclusively to provide onsite energy use under 50kW are fully exempt from property taxes. Additionally, a town may also choose to exempt renewable energy facilities from local property taxes. Vermont's exemptions include "all real and personal property," but do not include the land on which renewable energy facilities are built.

Relevant Legislation and/or Code: [32 V.S.A. § 3845](#), Tax.vermont.gov, [32 V.S.A. § 8701](#), [30 V.S.A. § 8002](#), [32 V.S.A. § 3802 Property Tax](#), [32 V.S.A. § 5401\(10\)\(J\)](#), [32 V.S.A. § 3481 \(D\)\(i\)](#), [24 V.S.A. § 2741](#)

Virginia

There are two property tax exemptions for solar developments in Virginia. The first applies to developments that have less than 5 MW/AC of nameplate capacity or developments at higher education facilities that have less than 20 MW/AC of nameplate capacity. The second applies to any other solar developments that have between 5 and 150 MW/AC of nameplate capacity. The first exemption is a full exemption, the second is an 80% exemption. The remaining 20% of property taxes still payable under the second exemption and all property taxes for solar

developments over 150 MW of nameplate capacity may be exempt by local governments, which are permitted to negotiate full or partial property exemptions with developers.

Relevant Legislation and/or Code: [VA Code § 58.1-3660](#), [DMME](#)

Washington

Washington has no special property tax treatment for utility-scale solar. Washington does have other incentive programs for solar development.

Relevant Legislation and/or Code: energy.wsu.edu

West Virginia

West Virginia has no special property tax treatment for utility-scale solar. West Virginia has few other incentives for solar development.

Wisconsin

The state of Wisconsin fully exempts any materials or equipment used to run any solar facility from general property taxes. Alternative energy systems are required to make a total of \$4,000 per/MW nameplate-capacity payments for projects over 1 MW. These payments are divided up between counties and local communities. If a system is located in a city or village \$2,333 per MW is paid to that community with the remaining \$1,667 to be paid to the county. If a system is located in a town, the town receives \$1,667 per MW and the county receives the remaining \$2,333.

Relevant Legislation and/or Code: [Wisconsin Tax Code § 70.111\(18\)](#), [Wis. Stat. § 76.28](#),

[Schuman & Olin \(2017\). 5](#)

Wyoming

Wyoming has no special property tax treatment for utility-scale solar. Wyoming has few other incentives for solar development.