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H.679

Introduced by Representatives Cheney of Norwich, Edwards of Brattleboro,
Jerman of Essex and Masland of Thetford

Referred to Committee on

Date:

Subject: Taxation; renewable energy plants

Statement of purpose: This bill proposes to tax renewable energy plants under
a uniform generation tax rather than under Vermont's property tax system.

~~An act relating to creating a uniform generation tax for renewable energy
plants. An act relating to creating a uniform capacity tax for solar
renewable energy plants~~

It is hereby enacted by the General Assembly of the State of Vermont:

~~Sec. 1. 32 V.S.A. chapter 215 is added to read:~~

CHAPTER 215. RENEWABLE ENERGY

§ 8701. UNIFORM GENERATION TAX

(a) For the purposes of this section, the term "renewable energy" has the
same meaning as in 30 V.S.A. § 8002(2), the term "plant" has the same
meaning as in 30 V.S.A. § 8002(12), and the term "plant capacity" has the
same meaning as in 30 V.S.A. § 8002(13).

(b) There is assessed on any renewable energy plant in Vermont an annual
tax of \$4.00 per kilowatt capacity. The tax shall be paid to the department of
taxes no later than April 15 of each year, for energy generated in the preceding
year, and accompanied by a return with such information as the department of

1 taxes may require. The department of taxes is authorized to promulgate
2 procedures and rules necessary to implement the tax in this section.

3 (c) Renewable energy plants of equal to or less than 10 kilowatt nameplate
4 capacity and farm methane generators of less than 100 kilowatts are exempt
5 from the tax under this section.

6 (d) For each renewable energy plant taxed under this section, the
7 department of taxes shall:

8 (1) determine the municipality in which the renewable energy plant is
9 situated;

10 (2) determine the ratio of the municipal taxes raised in the previous tax
11 year to the education property taxes raised in the previous tax year in the
12 municipality in which the renewable energy plant is located;

13 (3) multiply the tax received from the renewable energy plant by the
14 ratio in subdivision (2) of this subsection;

15 (4) pay an amount equal to the municipal tax portion of the ratio back to
16 the municipality, and pay the remaining amount to the education fund.

17 Sec. 2. 32 V.S.A. § 3802(17) is added to read:

18 (17) Real and personal property composing a renewable energy plant
19 subject to taxation under chapter 215 of this title.

1 ~~Sec. 3. EFFECTIVE DATE~~

2 ~~This act shall take effect on January 1, 2013 and apply to power generated~~
3 ~~after that date.~~

Sec. 1. 32 V.S.A. chapter 215 is added to read:

CHAPTER 215. RENEWABLE ENERGY

§ 8701. UNIFORM CAPACITY TAX

(a) For the purpose of this section, the terms “kW,” “plant,” “plant capacity,” and “renewable energy” shall be as defined in 30 V.S.A. § 8002; provided, however, that any tax or exemption under this chapter shall only apply to the fixtures and personal property of a plant, and not to the underlying land.

(b) There is assessed on any renewable energy plant in Vermont commissioned to generate solar power an annual tax of \$4.00 per kW plant capacity. The tax shall be paid to the department of taxes no later than April 15 of each year and accompanied by a return with such information as the department of taxes may require. The department of taxes shall deposit the taxes collected under this section into the education fund. The department of taxes may adopt procedures and rules necessary to implement the tax in this section.

(c) A renewable energy plant that generates electricity from solar power shall be exempt from taxation under this section if it has a plant capacity equal to or less than 10 kW.

Sec. 2. 32 V.S.A. § 3802(17) is added to read:

(17) Real and personal property composing a renewable energy plant generating electricity from solar power, to the extent the plant is exempt from taxation under chapter 215 of this title.

Sec. 3. 32 V.S.A. § 5401(10)(J) is amended to read:

(J) Buildings and fixtures of:

(i) wind-powered electric generating facilities taxed under section 5402c of this title; and

(ii) renewable energy plants generating electricity from solar power that are taxed under section 8701 of this title.

Sec. 4. PROSPECTIVE REPEAL; REPORT

32 V.S.A. §§ 8701(c) and 3802(17) (exemptions for small renewable energy plants) shall be repealed on January 1, 2023. By January 15, 2021, the department of taxes shall report to the senate committees on finance and on natural resources and energy and the house committees on ways and means and on natural resources and energy with a recommendation on whether the exemptions in 32 V.S.A. §§ 8701(c) and 3802(17) should be retained or

allowed to be repealed and whether the rate of tax in 32 V.S.A. § 8701(b)
should be altered.

Sec. 5. 32 V.S.A. § 5402c(a) is amended to read:

(a) A facility certified by the commissioner of public service as a facility which produces electrical energy for resale, generated solely from wind power, which has an installed capacity of at least ~~five megawatts~~ one megawatt, which was placed in service after January 1, 2007, and which holds a valid certificate of public good issued under 30 V.S.A. § 248, shall be assessed an alternative education property tax on its buildings and fixtures used directly and exclusively in the generation of electrical energy from wind power.

Sec. 6. 32 V.S.A. § 3101 is amended to read:

§ 3101. POWERS AND DUTIES OF COMMISSIONER

(a) The department of taxes shall be administered by a commissioner of taxes.

(b) The commissioner shall:

** * **

(11) from time to time prepare and publish statistics reasonably available with respect to the operation of this title including amounts collected, classification of taxpayers, tax liabilities and such other facts as the commissioner or the general assembly considers pertinent;

(12) [Repealed.]

(13) from time to time provide municipalities with recommended methods for determining, for municipal tax purposes, the fair market value of renewable energy plants that are subject to taxation under section 8701 of this title.

Sec. 7. EFFECTIVE DATE

This act shall take effect on January 1, 2013.