

1 S.128

2 Introduced by Senator Pearson

3 Referred to Committee on

4 Date:

5 Subject: Taxation; uniform capacity tax; property tax; energy storage facilities;  
6 energy transformation projects

7 Statement of purpose of bill as introduced: This bill proposes to amend and  
8 align the taxation of renewable energy plants, energy storage facilities, and  
9 energy transformation projects in Vermont under the uniform capacity tax and  
10 the property tax. This bill would impose an annual uniform capacity tax on the  
11 following: grid-connected renewable energy plants in Vermont constructed on  
12 or after January 1, 2022 to generate solar power with a plant capacity of 50 kW  
13 or larger at a rate of \$6.00 per kW of plant capacity; and grid-connected energy  
14 storage facilities or energy transformation projects in Vermont with a capacity  
15 of 600 kWh or larger at a rate of \$0.50 per kWh of plant energy output. This  
16 bill would exempt from the uniform capacity tax any renewable energy plants,  
17 energy storage facilities, or energy transformation projects with plant  
18 capacities or plant energy outputs below the taxable thresholds.

19 This bill would also exempt from property tax the following real and  
20 personal property, except land, comprising: a grid-connected renewable  
21 energy plant in Vermont that is constructed on or after January 1, 2022 to

1 generate electricity from solar power and that has a plant capacity of less than  
2 50 kW; and a grid-connected energy storage facility and energy transformation  
3 project if the facility or project has a plant capacity of less than 600 kWh.

4 An act relating to the taxation of grid-connected renewable energy plants,  
5 energy storage facilities, and energy transformation projects

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

7 \* \* \* Energy Storage Facility; Definition \* \* \*

8 Sec. 1. 30 V.S.A. § 201(4) is amended to read:

9 (4) “Energy storage facility” means a stationary device or system that  
10 uses mechanical, chemical, or thermal processes to store energy for export to  
11 the grid captures energy produced at one time, stores that energy for a period  
12 of time, and delivers or may deliver that energy as electricity to the grid for use  
13 at a future time.

14 Sec. 2. 30 V.S.A. § 8002(30) is added to read:

15 (30) “Energy storage facility” means a stationary device or system that  
16 captures energy produced at one time, stores that energy for a period of time,  
17 and delivers or may deliver that energy as electricity to the grid for use at a  
18 future time.



1           (4) The tax imposed under this section shall be paid to the Department  
2 of Taxes ~~to~~ not later than April 15 of each year and accompanied by a return  
3 with such information as the Department of Taxes may require. The  
4 Department of Taxes shall deposit the taxes collected under this section into  
5 the Education Fund. The Department of Taxes may adopt procedures and rules  
6 necessary to implement the tax in this section.

7           (c) A renewable energy plant, including a grid-connected renewable energy  
8 plant in Vermont constructed on or after January 1, 2022, that generates  
9 electricity from solar power shall be exempt from taxation under this section if  
10 it has a plant capacity of less than 50kW. An energy storage facility or energy  
11 transformation project shall be exempt from taxation under this section if it has  
12 a plant energy output of less than 600 kWh.

13           (d) The existence of a renewable energy plant, energy storage facility, or  
14 energy transformation project subject to tax under subsection (b) of this section  
15 shall not:

16           (1) alter the exempt status of any underlying property under section  
17 3802 or subdivision 5401(10)(F) of this title; or

18           (2) alter the taxation of the underlying property under chapter 135 of  
19 this title.



1 January 1, 2022 to generate electricity from solar power and that has a plant  
2 capacity of less than 50 kW.

3 (20) Real and personal property, except land, comprising an energy  
4 storage facility or energy transformation project that has a plant energy output  
5 of less than 600 kWh.

6 Sec. 6. 32 V.S.A. § 3481(1)(D) is amended to read:

7 (D)(i) For real and personal property comprising a renewable energy  
8 plant generating electricity from solar power, except land and property that is  
9 exempt under ~~subdivision~~ subdivisions 3802(17), (19), and (20) of this title,  
10 the appraisal value shall be determined by an income capitalization or  
11 discounted cash flow approach that includes the following:

12 \* \* \*

13 Sec. 7. 32 V.S.A. § 5401(10) is amended to read:

14 (10) “Nonhomestead property” means all property except:

15 \* \* \*

16 (J) Buildings and fixtures of:

17 (i) wind-powered electric generating facilities taxed under section  
18 5402c of this title; and

1 (ii) renewable energy plants generating electricity from solar  
2 power, energy storage facilities, or energy transformation projects that are  
3 taxed under section 8701 of this title.

4 \* \* \*

5 \* \* \* Effective Date \* \* \*

6 Sec. 8. EFFECTIVE DATE

7 This act shall take effect on July 1, 2021.