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

future time.

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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 5	An act relating to the taxation of grid-connected renewable energy plants, 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

1	* * * Uniform Capacity Tax * * *
2	Sec. 3. 32 V.S.A. § 8701 is amended to read:
3	§ 8701. UNIFORM CAPACITY TAX
4	(a) As used in this section, the terms "energy storage facility," "energy
5	transformation project," "kW," "kWh," "plant," "plant capacity," and
6	"renewable energy" shall be as defined in 30 V.S.A. §§ 201(4) and 8002;
7	provided, however, that any tax or exemption under this chapter shall only
8	apply to the fixtures and personal property of a plant, and not to the underlying
9	land.
10	(b)(1) There is assessed on any renewable energy plant in Vermont
11	commissioned to generate solar power an annual tax of \$4.00 per kW of plant
12	capacity.
13	(2) In lieu of the tax imposed under subdivision (1) of this subsection,
14	there is assessed on any grid-connected renewable energy plant in Vermont
15	constructed on or after January 1, 2022 to generate solar power with a plant
16	capacity of 50 kW or larger an annual tax of \$6.00 per kW of plant capacity.
17	(3) There is assessed on any stationary, grid-connected energy storage
18	facility or energy transformation project in Vermont that has a plant energy
19	output of 600 kWh or larger and that is not connected to a renewable energy
20	plant an annual tax of \$0.50 per kWh of plant energy output.

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this title.

1	(4) The tax imposed under this section shall be paid to the Department
2	of Taxes no 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

1	* * * Property Tax * * *
2	Sec. 4. 32 V.S.A. § 3800(n) is added to read:
3	(n) The statutory purpose of the exemptions for renewable energy plants
4	generating electricity from solar power in subdivisions 3802(17) and (19) of
5	this title and for energy storage facilities and energy transformation projects in
6	subdivision 3802(20) of this title is to lower the cost of generating and storing
7	electricity from solar power for smaller plants, facilities, and projects.
8	Sec. 5. 32 V.S.A. § 3802 is amended to read:
9	§ 3802. PROPERTY TAX
10	The following property shall be exempt from taxation:
11	* * *
12	(17) Real and personal property, except land, eomposing comprising a
13	renewable energy plant generating electricity from solar power which that has
14	a plant capacity of less than 50 kW and is either:
15	(A) operated on a net-metered system; or
16	(B) not connected to the electric grid and provides power only on the
17	property on which the plant is located.
18	(18) [Repealed.]
19	(19) Real and personal property, except land, comprising a grid-
20	connected renewable energy plant in Vermont that is constructed on or after

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 * * *
5	Sec. 8. EFFECTIVE DATE
7	This act shall take effect on July 1, 2021.