

**H.431 Senate Proposal of Amendment**  
Summary of tax-related sections Secs. 16–21 – 5/19/2021

**Sec. 16. 32 V.S.A. § 8701. Uniform Capacity Tax; Energy Storage Facilities.**

Assesses an annual uniform capacity tax (UCT) of \$0.50 per kWh of plant energy rating on stationary grid-connected energy storage facilities with a plant energy rating of 600 kWh or larger, if the facility is not connected to a renewable energy plant.

Clarifies that energy storage facilities with a plant energy rating of less than 600 kWh are not subject to the UCT. Clarifies that imposition of UCT does not impact property taxation or exemption of land underlying facilities.

**Sec. 17. 32 V.S.A. § 3800(n). Property Tax; Statutory Purposes for Solar and Energy Storage Facilities.**

Adds a statutory purpose for the existing solar facility property tax exemption and for the new energy storage facility property tax exemption. Vermont tax law requires most tax expenditures (forgone State revenue due to exemptions, deductions, credits, etc.) to have a purpose enacted into statute for the expenditure to be enforceable.

**Sec. 18. 32 V.S.A. § 3802(19). Property Tax; Exemptions.**

Creates a new property tax exemption from State education and municipal property tax for energy storage facilities that have a plant energy rating of less than 600 kWh. In the same way that the land underlying solar plants is not exempt, this language does not exempt the land underlying energy storage facilities from property taxation.

**Sec. 19. 32 V.S.A. § 3481(1)(E). Property Tax; Energy Storage Facility Valuation.**

Creates a new valuation method for energy storage facilities that are not exempt from property tax (i.e., facilities with a plant energy rating of more than 600 kWh). This language sets the appraisal value for non-exempt facilities at \$0.25 per kWh of plant energy rating.

**Sec. 20. 32 V.S.A. § 5401(10). Property Tax; Definition of Nonhomestead Property.**

Amends the definition of nonhomestead property to exclude energy storage facilities that are subject to the UCT (i.e., facilities with a plant energy rating of more than 600 kWh). This is the same treatment for solar facilities.

**Sec. 21. 32 V.S.A. § 9741. Sales and Use Tax; Residential Fuel Exemption; Wood Pellets.**

Clarifies existing sales and use tax exemption for fuel used in residences to create a presumption that wood pellets sold to an individual on a vendor's premises or delivered to an individual's residence is a sale for residential use and is tax-exempt.