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Community-wide Benefits via Property Taxes

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planet blue
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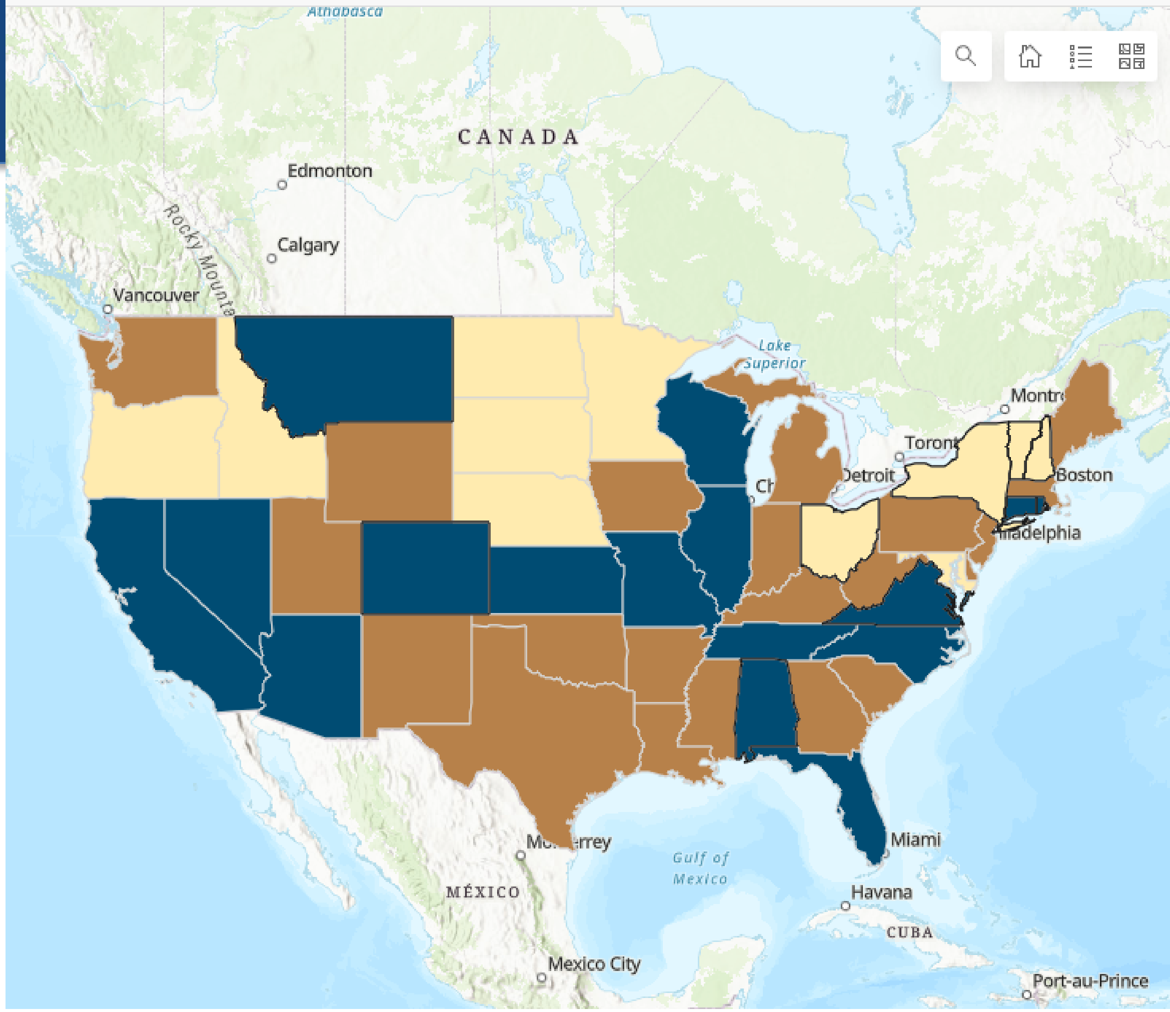
Tax Treatments for Solar Energy Development in the United States

By Olivia Hintz, Eli Gold, Emma Uebelhor / Date of Last Update: June 10th, 2021



Involvement of Local Government

Local Control

Yes

State Solar Policy

Type of Tax Treatment

Exemption and Replacement

Abatement or Exemption

No Special Treatment

Exemption and Replacement: legislation exe valorem property taxes and replaces those ta regularized payment, such as payment in lieu capacity excise tax, or solar production tax. A ultimate outcome of this form of taxation vary treatment replaces an irregular set of paymer assessed property values with a more regular

Abatement or Exemption: some or all of the scale solar development are either reduced c The total effective property tax reduction vari states may have eligibility requirements or tir

https://closup.umich.edu/research/working-papers/inventory-state-wind-property-tax-treatments

https://closup.umich.edu/research/working-papers/inventory-state-solar-property-tax-treatments

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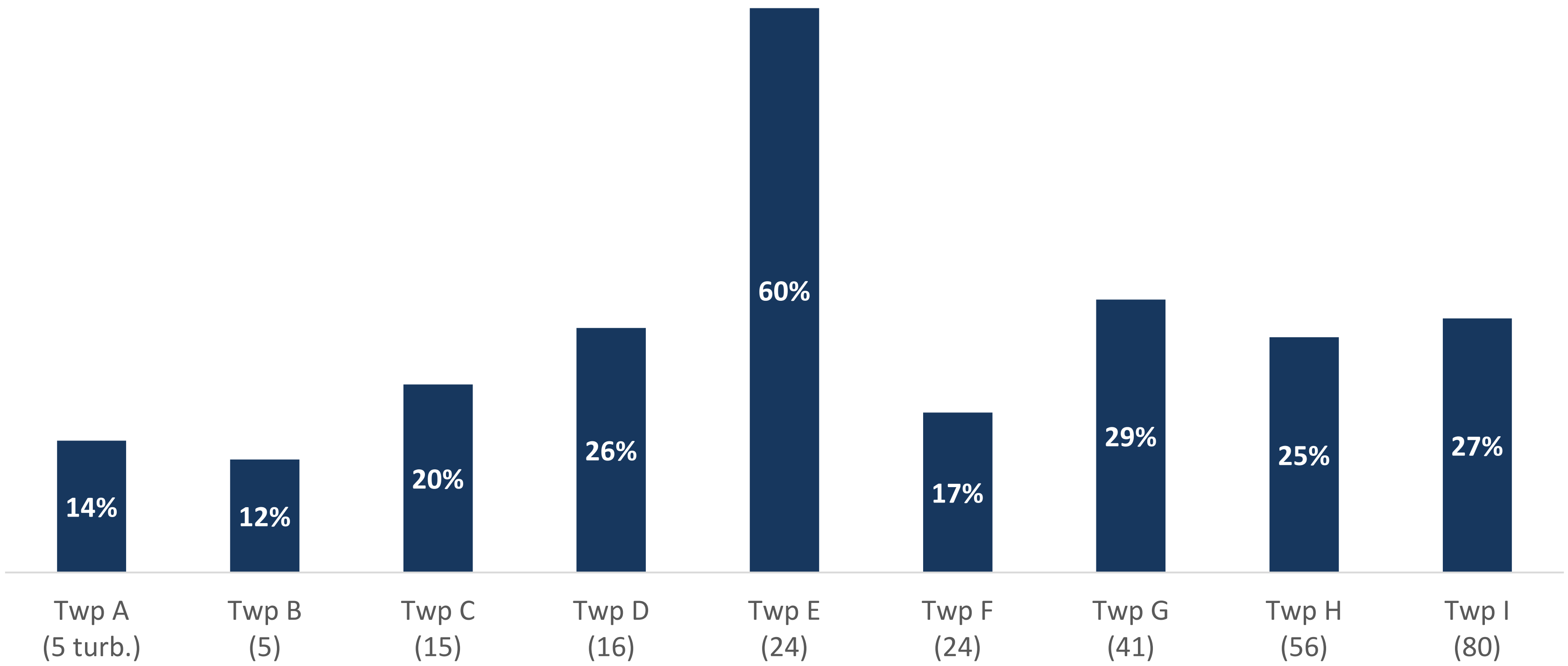
Property Tax Benefits Largely Invisible to Most Residents

% who said Township Services Improved from Wind Development



N = 1,534

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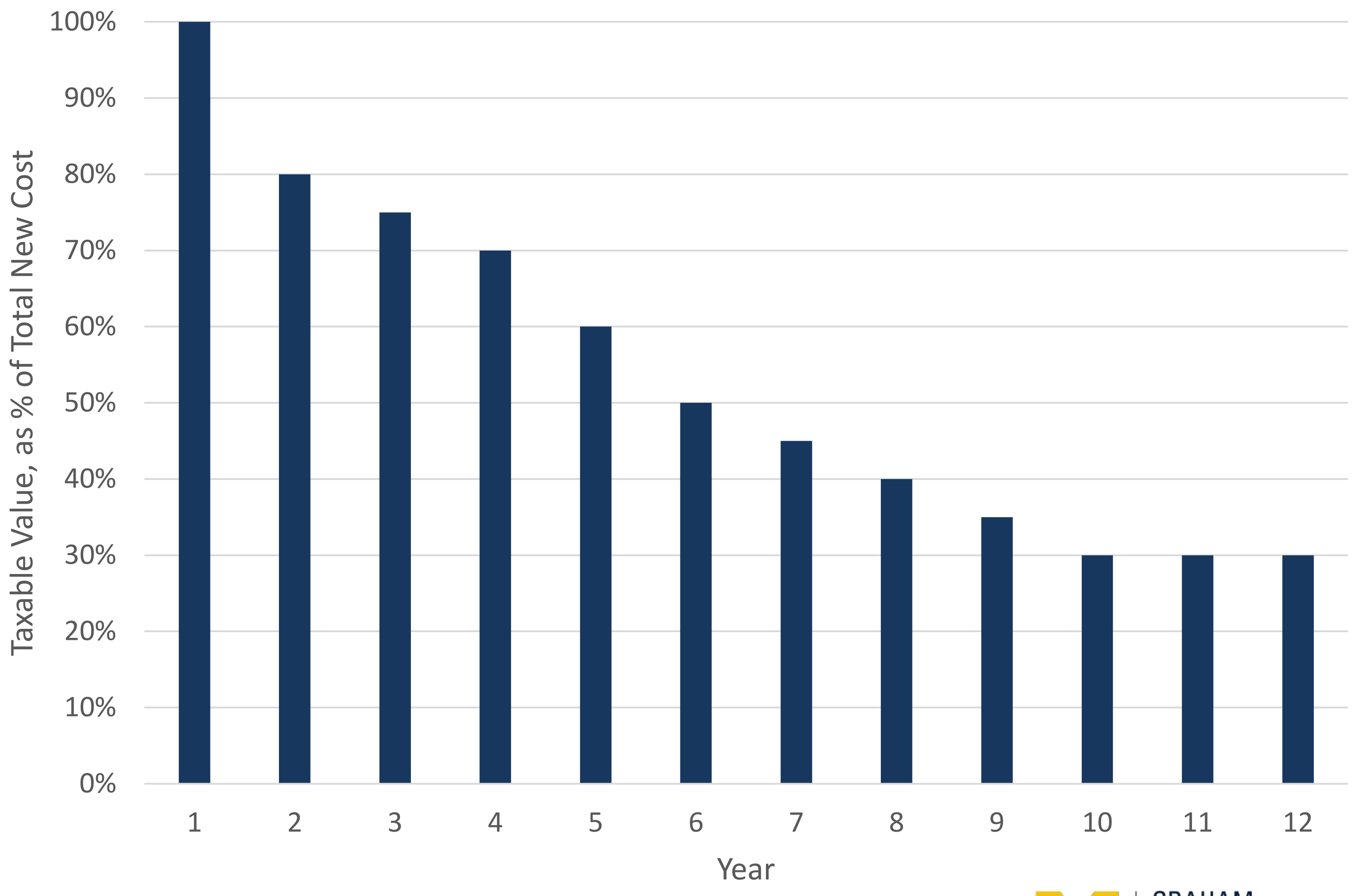
Michigan's Wind Property Tax Multiplier Table



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Previous State Tax Commission Solar guidance

3500 (Rev. 01-11)

STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

ANDY DILLON
STATE TREASURER

DATE: June 11, 2013

TO: Assessors and Equalization Directors

FROM: State Tax Commission

SUBJECT: Solar Panels

The State Tax Commission at their meeting on May 13, 2013, and affirmed again at their meeting on June 11, 2013, have determined that solar panels are to be considered industrial personal property and are to be reported on Table B – Machinery and Equipment on the personal property statement. This determination of the State Tax Commission supersedes any prior determinations.

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Key principles in designing taxes

- Don’t cut all taxes
  - Especially not to local units, especially if they have siting authority
- Predictable, stable revenue stream beneficial for all
- Need to discuss / make tangible the community-wide benefits
- Solar & transmission, plus new tech (storage!)