

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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H.679 – Uniform generation tax for renewable energy plants

H.679, as amended by the Committee on Natural Resources and Energy and the Committee on Ways and Means, would replace the existing statewide education property tax on the fixtures and personal property composing solar energy plants with a \$4.00 per kilowatt nameplate capacity tax. Real property underlying solar energy plants and wind energy plants would continue to be subject to the statewide education property tax. Small solar energy plants of equal to less than 10 kilowatt nameplate capacity would be exempt from the \$4.00 per kilowatt nameplate capacity tax.

The revenue impact of replacing the statewide education property tax on the existing fixtures and personal property composing solar energy plants and the exemption for small solar plants would be negligible. The value of fixtures and personal property composing solar energy plants that will be developed is unknown, but the difference between the statewide education property tax and the kilowatt nameplate capacity tax would not be large. The statewide education property tax on the land underlying these plants would be unchanged. Revenue from the \$4.00 per kilowatt nameplate capacity tax on solar energy plants would be deposited into the Education Fund.

The bill would also replace the existing statewide education property tax on wind energy plants with an installed capacity of at least one megawatt with a \$0.003 per kilowatt hour production tax. Currently, wind energy plants must have an installed capacity of at least five megawatts to be subject to the production tax in lieu of the statewide education property tax. There are currently no wind energy plants that would be affected by this section of the bill.