

Tax Bills for Wind, Solar, Geothermal and Biomass

2015 Legislative Session

[HB 1228](#) – extends the carryforward period for the tax credits:

- Sponsors: Representatives Owens, Brandenburg, Delmore, Dockter; Senators Dotzenrod, Oehlke, Wanzek
- Excess tax credits earned for biomass, solar, geothermal or wind energy devices installed after September 30, 2008, and before January 1, 2012, may be carried forward for 40 years. (Wind previously had a 20 year carryforward period and the other technologies had 10 years.)
- NextEra has requested that NDARE support this legislation.

[HB 1429](#) – extends the individual income tax credit for wind, geothermal, solar and biomass installations.

- Sponsors: Representatives Guggisberg, Beadle, Haak, J. Nelson, Strinden; Senator Mathern
- Removes the January 1, 2015 sunset.
- ****NOTE****: the language in line 13 of the bill should be amended to include the energy technologies in addition to geothermal (specifying tax credit is 3% per year for 5 years)

[SB 2037](#) – modifies tax treatment for wind projects

- Sponsors: Legislative Management (Energy Development and Transmission Committee)
- 100 kW or greater wind units that have a PPA or an advanced determination of prudence from the PSC and began construction prior to January 1, 2015 and completed by the end of 2016 is valued at 3% of the assessed value
- 100 kW or greater wind units where construction was completed prior to January 1, 2015 are taxed at the following rates:

- A tax of two dollars and fifty cents per kilowatt times the rated capacity of the wind generator.
 - A tax of one-half of one mill per kilowatt-hour of electricity generated by the wind generator during the taxable period.
 - Wind generators, wind farms, and associated collector systems on which construction was completed before January 1, 2015, purchased by a company subject to taxation under this chapter after December 31, 2014, must be taxed by the following:
 - Wind unit 100 kW or greater, for which a purchased power agreement was executed after April 30, 2005, and before January 1, 2006, and construction was completed after April 30, 2005, and before July 1, 2006, must be valued at 1 ½ % assessed value to determine taxable valuation of the property for the duration of the initial purchased power agreement for the generation unit; and
 - Wind unit 100 kW or greater on which construction is completed after June 30, 2006, and before January 1, 2015, must be valued at 1 ½ % assessed value to determine taxable valuation of the property.
- Allows wind projects constructed after January 1, 2015 and before the end of 2016 to receive a tax credit of 5% for 3 years.

SB 2310 – removes wind from the individual income tax credit and instead allows a credit for pass-through entities.

- Sponsors: Senators Wanzek, Dotzenrod, Laffen; Representatives Dockter, Owens, Pollert
- Credit available to projects that begin construction after January 1, 2015 and conclude by the end of 2016.
- Includes immediate pass-entities as eligible recipients.
- 3% credit for 5 years.