

ELECTRICAL GENERATING FACILITIES SALES TAX EXEMPTION - MULTISTATE SURVEY

This memorandum was requested to provide information on the availability of incentives in other states that are similar to the electrical generating facilities sales tax exemption provided in North Dakota Century Code Section 57-39.2-04.2. The following table provides an overview of each incentive, including the name of the incentive, the agency administering the incentive, a brief description of the incentive, and the statutory citation.

State	Incentive Title	Administering Agency	Description	Statutory Citation
Colorado	Sales Tax Exemption on Components for Production of Energy from Renewable Sources	Colorado Department of Energy	Components used in the production of electricity from a renewable energy source, a solar thermal system, or a biogas production system are exempt from state sales and use tax.	Colorado Revised Statutes Annotated Section 39-26-724
Florida	Sales and Use Tax Exemptions for Machinery and Equipment	Florida Department of Revenue	Solar energy systems or components are exempt from sales and use tax. Qualifying components and equipment include solar collectors, pumps and controls, photovoltaic power conditioning equipment, energy storage units, and accessories integral to a qualifying system.	Florida Statutes Annotated Section 212.08
Maryland	Sales and Use Tax Exemption for Renewable Energy Equipment	Comptroller of Maryland	Geothermal equipment, residential wind energy equipment, and solar energy equipment are exempt from sales and use tax.	Maryland Code Section 11-230
Utah	Alternative Energy Sales and Use Tax Exemption	Utah Governor's Office of Economic Development	The purchase or lease of equipment used to generate electricity from renewable sources is exempt from state sales and use tax. For purposes of the exemption, renewable resources include wind, solar, biomass, landfill gas, anaerobic digestion, hydroelectricity, and geothermal energy resources. Qualifying purchases or leases must be made or entered into after July 1, 2004, for use in a renewable energy production facility, have an economic life of five years or more, and be used to construct a facility or increase a facility's generation capacity. Qualifying leases must be entered into for a period of at least seven years.	Utah Code Annotated Section 59-12-104
Washington	Sales and Use Tax Exemption for Machinery and Equipment used in Generating Electricity	Washington Department of Revenue	Certain purchases of machinery, equipment, and labor are exempt from 75 percent of sales and use tax if the purchase aids in the development of a facility capable of producing at least 1,000 megawatts of electricity. Qualifying purchases include machinery and equipment used directly in generating electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas as the principal source of power. Sales or charges for labor and services required to install qualifying machinery and equipment are also exempt from 75 percent of sales and use tax.	Washington Revised Code Annotated Section 82.08.962
Wisconsin	Renewable Energy Sales Tax Exemption	Wisconsin Department of Revenue	Purchases of wood, energy crops, biological wastes, biomass residues, and landfill gas for the purpose of producing energy for residential uses are exempt from sales tax.	Wisconsin Statutes Annotated Section 77.54