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Authors: Davnie

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Analyst: Bob Eleff

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Overview

House File 2911 imposes a production tax on solar electric generating systems at a rate of \$1.20 per megawatt-hour produced.

Section

1 [272.02] **Solar energy systems.** Amends the existing definition of solar photovoltaic devices in favor of the definition in section 2.

2 [272.095] **Solar energy production tax.**

Subd. 1. Production tax. Imposes a tax on electricity production from a solar energy system.

Subd. 2. Definitions. Defines “solar energy system” to mean solar photovoltaic devices, including step-up transformers.

Subd. 3. Rate of tax. Exempts solar energy systems whose capacity is one megawatt or less; other systems are taxed at a rate of \$1.20 per megawatt-hour produced.

Subd. 4. Reports. Requires the owner of a solar energy system to report annually to the commissioner of revenue by February 1 the number of megawatt-hours produced by the system the previous year. In the absence of a report, the commissioner will base the tax on 60 percent of the system’s nameplate capacity.

Section

Subd. 5. Notification of tax. Requires the commissioner of revenue to notify an owner of a solar energy system by February 28 annually of the amount of tax due to each county. Provides for corrections of erroneous calculations.

Subd. 6. Payment of tax; collection. Provides that the tax is to be paid at the same time and in the same manner as the property tax, and is subject to the same treatment if unpaid.

Subd. 7. Distribution of revenues. Provides that 80 percent of the tax will be distributed to counties, and 20 percent to cities and townships.