

ASSESSMENT OF RENEWABLE ENERGY GENERATION FACILITIES

Purpose

This directive advises county assessors on the assessment and valuation of renewable energy generation facilities.

Statutory and Regulatory Authority

[Neb. Rev. Stat. §77-6201](#) established a nameplate capacity tax, which replaced the local assessment and taxation of the tangible personal property of renewable energy generation facilities.

[Neb. Rev. Stat. §77-6202](#) defines a renewable energy generation facility and nameplate capacity.

A renewable energy generation facility means (a) a facility that generates electricity using wind as the fuel source or (b) a facility that generates electricity using solar, biomass, and landfill gas as the fuel source if the facility was installed on or after January 1, 2016, and has a nameplate capacity of one hundred kilowatts or more.

Nameplate capacity means the capacity of a renewable energy generation facility to generate electricity as measured in megawatts, including fractions of a megawatt based on the facility's alternating current capacity.

[Neb. Rev. Stat. §77-202\(9\)](#) defines the depreciable tangible personal property that is exempt from property taxation as follows:

Any depreciable tangible personal property used directly in the generation of electricity using wind as the fuel source shall be exempt from the property tax levied on depreciable tangible personal property. Any depreciable tangible personal property used directly in the generation of electricity using solar, biomass, or landfill gas as the fuel source shall be exempt from the property tax levied on depreciable tangible personal property if such depreciable tangible personal property was installed on or after January 1, 2016, and has a nameplate capacity of one hundred kilowatts or more. Depreciable tangible personal property used directly in the generation of electricity using wind, solar, biomass, or landfill gas as the fuel source includes, but is not limited to, wind turbines, rotors and blades, towers, solar panels, trackers, generating equipment, transmission components, substations, supporting structures or racks, inverters, and other system components such as wiring, control systems, switchgears, and generator step-up transformers.

Procedure and Implementation

Personal Property:

The tangible personal property of a renewable energy facility is exempt from property taxation, as long as it is:

- a) used directly in the generation of electricity;
- b) uses wind as the fuel source OR uses solar, biomass, or landfill gas as the fuel source and was installed on or after January 1, 2016; and
- c) has a nameplate capacity of 100 kilowatts or more.

“Supporting structures” are included in the definition of the depreciable tangible personal property that is exempt from taxation when used directly in the generation of electricity in a renewable energy facility. These “supporting structures” are the portion of the tower that holds the generator and the propellers, including any load-bearing beams or girders. This does not include any of the real property upon which the tower is placed.

Real Property:

The real property of the facility is subject to local assessment. The land associated with the facility is not agricultural land as defined in [Neb. Rev. Stat. §77-1359](#) and should be valued at 100% of market value. However, [Neb. Rev. Stat. §77-6203\(4\)](#) indicates that the presence of one or more renewable generation facilities or supporting infrastructure shall not be a factor in the assessment, determination of actual value, or classification under [Neb. Rev. Stat. §77-201](#) of the real property underlying or adjacent to such facilities or infrastructure. County assessors are encouraged to conduct an analysis of market value of the land as though vacant or undeveloped. Land associated with these facilities should be inventoried for administrative reporting purposes as commercial property, commercial site acres, or non-ag other acres, which ever is more appropriate. These acres are not eligible for the agricultural land real property tax credit.

Real property also includes, but is not limited to: concrete pads; foundations; operations and maintenance buildings; road construction; leasehold value; and lease payments. This real property will be assessed at 100% of actual value. See, [Neb. Rev. Stat. § 77-103](#).

If the facility is owned or operated by the federal government, the State of Nebraska, a public power district, a public power and irrigation district, a municipality, a registered group of municipalities, an electric membership association, or a cooperative; or by a customer-generator as defined in [Neb. Rev. Stat. §70-2002](#), then it is exempt from the nameplate capacity tax and real property tax assessment. See, [Neb. Rev. Stat. § 77-6203\(2\)\(a\)](#).

For the Tax Commissioner

APPROVED:

/s

Sarah R. Scott
Property Tax Administrator
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