

January 9, 2023

ASSESSMENT OF RENEWABLE ENERGY GENERATION FACILITIES

Purpose

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

Statutory Authority

A nameplate capacity tax has replaced the central assessment and taxation of the tangible personal property of renewable energy generation facilities. A renewable energy generation facility includes facilities that generate electricity using wind, solar, biomass, and landfill gas as the fuel source. The tangible personal property used directly in the generation of electricity using wind as the fuel source is exempt from property tax and subject to the nameplate capacity tax. The tangible personal property used directly in the generation of electricity using solar, biomass, or landfill gas is exempt from property tax if the depreciable tangible personal property was installed on or after January 1, 2016, and has a nameplate capacity of 100 kilowatts or more.

[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

The nameplate capacity tax replaces the assessment of depreciable tangible personal property used directly in the generation of electricity using wind as a fuel source, and the depreciable tangible personal property used in the generation of electricity using solar, biomass, and landfill gas as a fuel source if the depreciable tangible personal property was installed on or after January 1, 2016. A renewable energy generation facility (facility) is a facility that generates electricity using wind, solar, biomass, or landfill gas as the fuel source. This regulation was repealed.

Real Property: The real property of the facility is subject to local assessment. The land associated with the facility will continue to be assessed as it was prior to the existence of the facility. If the land was classified and assessed as agricultural land prior to the facility being built, the land will continue to be classified and assessed as agricultural land. The presence of one or more renewable energy generation facilities or supporting infrastructure is not a factor in the assessment, valuation, or taxation of the real property on which the facility is located.

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, then it is exempt from the nameplate capacity tax and real property tax assessment. See, [Neb. Rev. Stat. § 77-6203\(2\)\(a\)](#).

Personal Property: “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 using wind, solar, biomass, or landfill gas as the fuel source. 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.

For the Tax Commissioner

APPROVED:

/s

Ruth A. Sorensen
Property Tax Administrator
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