IDaho

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State Taxes that Impact Development

**Tax on Renewable Energy Production**

*Gross Energy Earnings Tax – Wind and Geothermal*

Although Idaho provides a 100 percent property tax exemption for geothermal energy producers and commercial wind operators, they must pay a 3 percent tax on gross energy earnings.

**Property Tax as Percent of Income**

2.55 percent

**Personal Income Tax**

- 1.6 percent for $0 to $1,338
- 3.6 percent for $1,338 to $2,676
- 4.1 percent for $2,676 to $4,014
- 5.1 percent for $4,014 to $5,352
- 7.1 percent for $5,352 to $6,690
- 7.4 percent for $10,035 to $26,760
- 7.8 percent for $26,760+

**Corporate Income Tax**

7.6 percent

**Sales and Use Tax**

6 percent

**State Unemployment Insurance Tax Rates**

0.96 percent to 6.8 percent

**Gasoline and Diesel Tax**

25 cents per gallon

Exemptions for Doing Business in Indian Country

None.
### Tax Incentives

- **Residential Tax Deduction**
- **Property Tax Exemption (Wind and Geothermal)**

### Residential Alternative Energy Tax Deduction (Personal)

Provides a 40 percent income tax deduction for the cost of a solar, wind, geothermal and some biomass energy devices used for heating or electricity generation the year the system is installed. Taxpayers can deduct 20 percent of the cost each year for three years thereafter as well.

**Incentive:** Income tax deduction of 40 percent the year the system is installed and 20 percent for three years thereafter

**Maximum Deduction:** $20,000 total and $5,000 in any single year


**Applicable Sectors:** Residential

**Authority:** Idaho Code § 63-3022C

### Property Tax Exemption for Wind and Geothermal Energy Producers

Commercial wind operators and geothermal energy producers (except those regulated by the Idaho PUC) are exempt from taxes on real estate and property related to the system. Wind and geothermal energy producers must pay a tax of 3 percent of gross energy earnings, though.

**Incentive:** 100 percent of property taxes

**Eligible Renewable Technologies:** Wind and geothermal

**Applicable Sector:** Commercial

**Low-Interest Energy Loan Program**

Administered through the Idaho Office of Energy Resources, this program offers low-interest loans for retrofitting active solar, wind, hydropower, biomass and geothermal energy products. The interest rate is 4 percent over a 5-year term. Loans are only for retrofitting with a few exceptions for some renewables.

- **Incentive:** 4 percent interest loans with a 5-year term. Loans vary:
  - Residential: $1,000 to $15,000
  - Commercial: $1,000 to $100,000
  - Agricultural: Up to $100,000
  - Schools, Hospitals and Healthcare Facilities: Up to $100,000
  - Renewable Loans (except solar PV loans): Up to $100,000
  - Solar Photovoltaics: Up to $15,000
- **Maximum:** $15,000 for residential and $100,000 for all others
- **Eligible Renewable Technologies:** Geothermal Direct-Use, Geothermal Heat Pumps, Solar Water Heat, Solar Space Heat, Photovoltaics, Wind, Biomass and Hydroelectric
- **Applicable Sectors:** Residential, Commercial, Local Government, State Government, Schools, Agricultural, Institutional and Hospitals

For more information visit http://www.energy.idaho.gov/financialassistance/energyloans.htm.

**Renewable Energy Project Bond Program**

Independent renewable energy project developers can request financing from the Idaho Energy Resources Authority, a state bonding authority.

- **Applicable Sector:** Commercial (Independent Power Producer)
- **Authority:** Idaho Code § 67-8901 et seq. (SB 1192 of 2005)

**Renewable Portfolio Standard**

None.
Solar Easements

Idaho provides access rights to sunlight for solar energy devices. Easements are transferred with property titles.

- **Incentive:** Solar Access Policy
- **Eligible Renewable Technologies:** Solar Water Heat, Solar Space Heat, Solar Thermal Electric and Photovoltaics
- **Applicable Sectors:** Commercial and Residential
- **Authority:** Idaho Code § 55-615

NCSL Contact

Jacquelyn Pless  
Energy Program Policy Associate  
(303) 856-1509  
jacquelyn.pless@ncsl.org

Sources:


Various state websites