

RENEWABLE ENERGY DEVELOPMENT

STATE TAX POLICIES AND INCENTIVES IMPACTING RENEWABLE ENERGY DEVELOPMENT

PREPARED BY THE NATIONAL CONFERENCE OF STATE LEGISLATURES
MARCH 2012

STATE-IMPLEMENTED FINANCIAL INCENTIVES FOR RENEWABLE ENERGY

Incentive Type	Arizona	California	Idaho	Nevada	New Mexico	Oregon	South Dakota	Washington
Personal Tax	X		X		X	X		
Corporate Tax	X				X	X		
Sales Tax	X			X	X		X	X
Property Tax	X	X	X	X	X	X	X	
Rebates		X		X		X		
Grants						X		
Loans			X			X	X	
Industry Support	X	X			X	X		X
Bonds			X		X			
Performance-Based		X		X		X		X

STATE-IMPLEMENTED RULES, REGULATIONS & POLICIES FOR RENEWABLE ENERGY

Incentive	Arizona	California	Idaho	Nevada	New Mexico	Oregon	South Dakota	Washington
Public Benefits Funds		X				X		
Renewable Portfolio Standard	X	X		X	X	X	X	X
Net Metering	X	X		X	X	X		X
Interconnection	X	X		X	X	X	X	X
Contract Licensing	X	X		X		X		
Equipment Certification	X							
Access Laws	X	X	X	X	X	X	X	X
Construction & Design	X	X		X		X	X	X
Required Green Power					X	X		X



UTILITY-IMPLEMENTED FINANCIAL INCENTIVES FOR RENEWABLE ENERGY

Incentive	Arizona	California	Idaho	Nevada	New Mexico	Oregon	South Dakota	Washington
Rebates	X	X	X	X	X	X	X	X
Loans	X	X		X		X	X	X
Performance-Based					X	X		X

UTILITY-IMPLEMENTED RULES, REGULATIONS & POLICIES FOR RENEWABLE ENERGY

Incentive	Arizona	California	Idaho	Nevada	New Mexico	Oregon	South Dakota	Washington
Net Metering	X	X	X	X	X	X		X

STATE TAXES THAT IMPACT DEVELOPMENT

Incentive	Arizona	California	Idaho	Nevada **	New Mexico	Oregon	South Dakota **	Washington
Gross Receipts Tax	X	X			X *			X *
Possessory Interest Tax		X						
Property Tax as % of Income	3.22% *	3.44% *	2.55% *	3.53% *	1.84% *	3.21% *	2.86% *	2.84%
Tax on Renewable Energy Production			3%					
Compensating Tax					X *			
Oil and Gas Excise Tax	X	X	X	X	X	X	X	None
Personal Income Tax	2.59% to 4.54% *	1% to 10.3%	1.6% to 7.8% *	None	1.7% to 4.9% *	5% to 9.9% *	None	None
Corporate Income Tax	6.968% *	8.84%	7.6%	None	4.8% to 7.6% *	6.6% to 7.6% *	None	None
Sales Tax	6.6% *	7.25%	6%	6.85% *	5.125% *	None	4% *	6.5% *
Unemployment Insurance Tax Rates	0.02% to 5.86%	1.5% to 6.2%	0.96% to 6.8%	0.25% to 5.4%	0.05% to 5.4%	2.2% to 5.4%	0% to 9.5%	0.49% to 6%
Gasoline Tax (cents per gallon)	19	37.7	25	33.1	18.875	31	24	37.5



Diesel Tax (cents per gallon)	19	15	25	28.6	22.875	30.3	24	37.5
Exemptions for Doing Business in Indian Country (any)				X	X			
Authorize State-Tribal Agreements						X	X	X

* Tax incentive provided

** Nevada and South Dakota levy neither a corporate income tax nor a gross receipts tax.

NCSL Contact

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

Sources:

Database of State Incentives for Renewables & Efficiency, a joint effort between U.S. Department of Energy Office of Energy Efficiency & Renewable Energy, North Carolina Solar Center and the Interstate Renewable Energy Council; www.dsireusa.org

Incentives for Businesses 50 State Handbook, State Capitol Group (Washington, D.C.: State Capitol Group, July 2010); www.statecapitalgroup.org

Robyn, Mark, *2012 State Business Tax Climate Index*, Tax Foundation (Washington, D.C.: Tax Foundation, January 2012); http://taxfoundation.org/files/2012_tax_foundation_index_bp62.pdf.

Various state websites

