## MAINE STATE LEGISLATURE

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## 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

**Legislative Document** 

No. 1355

H.P. 878

House of Representatives, April 1, 2025

Resolve, to Require the Office of Tax Policy to Study Taxation of Renewable Energy Infrastructure

Received by the Clerk of the House on March 28, 2025. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

ROBERT B. HUNT

Clerk

Presented by Representative HASENFUS of Readfield.

Sec. 1. Office of Tax Policy to examine and evaluate system of taxation of renewable energy infrastructure and possible adoption of uniform capacity tax for renewable energy infrastructure. Resolved: That the Department of Administrative and Financial Services, Bureau of Revenue Services, Office of Tax Policy shall examine and evaluate the current system of taxation of renewable energy infrastructure and possible adoption of a uniform capacity tax for renewable energy infrastructure. The study must include an examination and evaluation of:

- 1. The current statutory framework for the application of personal and real property taxes on renewable energy infrastructure, including, but not limited to, solar photovoltaic systems, wind energy development and battery energy storage systems;
- 2. The history of municipal and county taxation of renewable energy infrastructure in the State, as well as in other states;
- 3. How tax revenue from new renewable energy infrastructure projects may affect state-municipal revenue-sharing formulas, including the effect of renewable energy infrastructure value depreciation;
- 4. Whether renewable energy infrastructure presents special difficulties with identifying just value;
- 5. What tax amount per megawatt of electric generation capacity of renewable energy infrastructure projects, if any, would fairly compensate municipalities without making such projects unviable;
- 6. The current use, complexity, cost and appropriateness of programs such as tax increment financing and credit enhancement agreements for renewable energy infrastructure and whether an alternative program may benefit municipalities, counties and renewable energy infrastructure development in the State; and
- 7. Whether a uniform taxation of renewable energy infrastructure and exclusion of such revenue from state-municipal revenue-sharing formulas may encourage renewable energy infrastructure development, advance the State's clean energy goals and benefit municipalities and counties in the State.

The Office of Tax Policy shall consult with the Governor's Energy Office, representatives from the renewable energy industry and other experts in the State and municipal and county officials with relevant experience, and solicit public comments on the study. No later than December 3, 2025, the Office of Tax Policy shall submit a report, including findings, recommendations and any suggested legislation, based on the study to the Joint Standing Committee on Taxation. The joint standing committee may report out legislation related to the report to the Second Regular Session of the 132nd Legislature.

SUMMARY

This resolve requires the Department of Administrative and Financial Services, Bureau of Revenue Services, Office of Tax Policy to examine and evaluate the current system of taxation of renewable energy infrastructure and possible adoption of a uniform capacity tax for renewable energy infrastructure. The office is required to consult with the Governor's Energy Office, representatives from the renewable energy industry and other experts and municipal and county officials, and to solicit public comments on the study. The office

- must submit a report to the Joint Standing Committee on Taxation. The joint standing committee may report out legislation related to the report to the Second Regular Session of 1
- 2
- 3 the 132nd Legislature.