



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

House: WM DPA 8-1-1-0

HB 2153: renewable energy storage equipment; valuation

Sponsor: Representative Dunn, LD 13

House Engrossed

Overview

Provides an exemption from state and municipal tax for machinery and equipment used directly for energy storage for later electrical use.

History

State law levies a Transaction Privilege Tax (TPT) on gross receipts from business activities. ([A.R.S. § 42-5061](#)) deducts proceeds from the sale of specified categories of tangible personal property from the TPT tax base.

State law also levies a Use Tax on items purchased in other states and brought into Arizona when no tax or a lower rate of taxes was paid in the other state. ([A.R.S. § 42-5159](#)) exempts specified tangible personal property from the use tax.

Currently, statute allows the governing body of a city or town or a county board of supervisors to designate a qualifying parcel of land as a renewable energy incentive district. ([A.R.S. §§ 9-499.14, 11-254.07](#)) After establishing a renewable energy incentive district, the governing body is required to adopt a renewable energy incentive plan that may include: a) expedited zoning or rezoning procedures; b) expedited processing of plans, proposals and permits; c) waivers or abatement of county zoning fees, processing fees and improvement district fees and assessments for development activities and; d) waiver or abatement of development standards and procedural requirements.

Provisions

1. Adds "storage" equipment as qualifying equipment for a renewable energy incentive district. (Sec. 1, 2)
2. Provides an exemption from state and municipal tax for machinery and equipment used directly for energy storage for later electrical use. (Sec. 4, 5, 9, 10, 11)
3. Requires the Department of Revenue (DOR) to annually determine the valuation of all owned or leased property used by taxpayers in the operation of an electric energy storage, transmission or distribution system. (Sec. 12)
4. Requires DOR to determine the full cash value of taxable renewable energy storage equipment, in addition to that of renewable energy equipment, through December 31, 2040. (Sec. 13)
5. States that all energy storage equipment, both collocated with renewable energy and stand-alone energy storage equipment, qualifies for valuation. (Sec. 13)
6. Defines *electric utility scale*, *energy storage* and *machinery and equipment used directly*. (Sec. 4, 5, 9, 10, 11, 13)
7. Makes technical and conforming changes. (Sec. 1, 3, 4, 5, 6, 7, 8, 9, 12, 13)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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