

# Special Notice

*Intended audience: Operators of renewable energy generation and storage facilities.*

**Jan. 29, 2024**

## Renewable energy generation or storage facilities

Starting Jan. 1, 2025, there is a new personal property tax exemption for the state portion of property tax on all qualified personal property owned by a qualifying renewable energy facility.

Renewable energy facilities that are granted the personal property tax exemption must also pay new excise taxes based on the generation or storage capacity of the facilities.

### What is a renewable energy facility?

A renewable energy facility is a solar or wind facility with nameplate capacity sufficient to generate at least 10 megawatts (MW) of alternating current power.

### Who is subject to the new excise tax?

Operators of renewable energy generation or storage systems where construction began on or after July 1, 2023, and that are granted the personal property tax exemption under [RCW 84.36.680](#).

### How much is the new excise tax?

The per month per MW nameplate capacity excise tax on renewable energy by a qualified renewable energy system is:

Activity	10- year exemption	15- year exemption
Solar energy generation	\$80	\$75
Wind energy generation	\$150	\$130

Activity	10- year exemption	15- year exemption
Storage (solar or wind)	\$19	\$14

## How do I pay the new excise tax?

You will report the tax on your combined excise tax returns. The department will add the excise taxes to your return starting in January of the year your exemption takes effect.

## How do I claim the personal property tax exemption?

You must submit an [application](#) to the department by March 31 of the year before the personal property tax exemption takes effect.

For example, to claim an exemption for the calendar year 2025, you must submit your application by Mar. 31, 2024. Your application must indicate whether you are requesting a 10 or 15-year exemption.

The department will review the project to determine if the personal property qualifies as operating property of a public utility. Generally, projects located in a single county will be assessed by the local county assessor while projects crossing county lines will be assessed by the department.

If the property does not qualify as operating property of a public utility, you must submit your annual personal property filings to the [county assessor](#).

If the property qualifies as operating property of a public utility, you must file annual reports with the department.

## Do I still need to pay property tax if I am granted an exemption?

Yes. The county treasurer(s) will bill and collect the portion of personal property taxes for local taxing districts. Additionally, this exemption does not apply to real property.

## Definitions

**Personal property** is defined in [RCW 84.04.080](#).

**Qualified personal property** means property used exclusively for the generation or storage of renewable energy in a facility where construction began on or after July 1, 2023.

**Qualified renewable energy system** means a set of devices whose primary purpose is to produce electricity by means of any combination of collecting, transferring, or converting renewable energy and that is receiving a property tax exemption under [RCW 84.36.680](#).

**Renewable energy** means energy produced by a solar or wind facility with nameplate capacity sufficient to generate at least 10 megawatts of nameplate capacity of alternating current power.

**Renewable energy storage capacity** means the battery storage capacity per megawatt hour.

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**Renewable energy storage system** means battery storage or battery energy storage system that can store renewable energy when production exceeds demand and release energy when energy demand increases

## More information

[Chapter 82.96 RCW](#)

[RCW 84.36.680](#)

[RCW 84.12.200\(8\)](#)

## Questions?

For questions about the excise taxes, please contact our Taxpayer Account Administration division at 360-705-6218.

For questions about the personal property tax exemption, please contact our Property Tax division at 360-534-1424.