

July 22, 2011

ASSESSMENT OF WIND ENERGY GENERATION FACILITIES

Purpose: This directive advises county assessors on the assessment and valuation of wind energy generation facilities following the passage of Neb. Laws 2010, LB1048, and Laws 2011, LB360.

Statutory Authority: LB1048, as modified by LB360, created a nameplate capacity tax that replaced the Nebraska Department of Revenue's (Department's) central assessment and taxation of the tangible personal property of wind energy generation facilities.

[Neb. Rev. Stat. § 77-202\(9\)](#) defines the depreciable tangible personal property that is exempt from property taxation as follows:

Any depreciable tangible personal property used directly in the generation of electricity using wind as the fuel source shall be exempt from the property tax levied on depreciable tangible personal property. Depreciable tangible personal property used directly in the generation of electricity using wind as the fuel source includes, but is not limited to, wind turbines, rotors and blades, towers, trackers, generating equipment, transmission components, substations, supporting structures or racks, inverters, and other system components such as wiring, control systems, switchgears, and generator step-up transformers.

Procedure and Implementation: The nameplate capacity tax replaces the assessment of depreciable tangible personal property used directly in the generation of electricity using wind as a fuel source. A wind energy generation facility (facility) is a facility that generates electricity using wind as the fuel source. More information regarding the administration of the nameplate capacity tax can be found in [Title 316, Chapter 13](#).

Real Property: The real property of the facility is subject to local assessment. The land associated with the facility will continue to be assessed as it was prior to the existence of the facility. If the land was classified and assessed as agricultural land prior to the facility being built, the land will continue to be classified and assessed as agricultural land. The presence of one or more wind turbines is not a factor in the assessment, valuation, or taxation of the real property on which the facility is located.

Real property also includes, but is not limited to: concrete pads; foundations; operations and maintenance buildings; road construction; leasehold value; and lease payments. This real property will be assessed at 100% of actual value. See, [Neb. Rev. Stat. § 77-103](#).

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If the facility is owned or operated by the federal government, the State of Nebraska, a public power district, a public power and irrigation district, a municipality, a registered group of municipalities, an electric membership association, or a cooperative; or by a customer-generator, then it is exempt from the nameplate capacity tax and real property tax assessment. See, [Neb. Rev. Stat. § 77-6203\(2\)\(a\)](#).

Personal Property: LB1048, as modified by LB360, included “supporting structures” in the definition of the depreciable tangible personal property that is exempt from taxation when used directly in the generation of electricity using wind as the fuel source. These “supporting structures” are the portion of the tower that holds the generator and the propellers, including any load-bearing beams or girders. This does not include any of the real property upon which the tower is placed.

APPROVED:

/s

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July 22, 2011

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July 22, 2011

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