

# North Dakota Wind Energy Incentives



**Ryan Rauschenberger,  
Deputy Tax Commissioner**



# Wind Incentives

## 3 Primary Incentives

1. Sales Tax Exemption
2. Property Tax Reduction
3. Income Tax Credit



# Wind Incentives

## Sales Tax Exemption

- Exempt property includes tangible personal property to construct a new facility
- SB 2032 extended the sunset of exemption to 2015 and includes expansion of wind farms in exemption



# Wind Incentives

## Sales Tax Exemption - Example

- 200 megawatt farm = \$500 million
- Approximately half of cost is tangible personal property
- $\$500 \text{ million} / 2 = \$250 \text{ million of equip}$
- $\$250 \text{ million} \times 5\% = \underline{\$12.5 \text{ million}}$



# Wind Incentives

## Property Tax Reduction

- 85% reduction in taxable value
- Reduces taxable value from 10% to 1.5%
- SB 2031 extended the sunset of incentive from Jan 1, 2011 to Jan 1, 2015



# Wind Incentives

## Property Tax Reduction Example

- Oliver County Wind Farm
- True and full value is \$67.3 million
- Assessed value is \$33.65 million
- Taxable value is \$683,700
- Total 2008 property tax was \$203,148 based on 297.13 mill levy



# Wind Incentives

## Income Tax Credit

- 15% income tax credit (3% over 5 years)
- SB 2033 Carry forward of 20 years (was 5 years) for unused credits on projects built between Sept 30, 2008 and Jan 1, 2012.
- SB 2033 Carry forward of 10 years for unused credits on projects built between Jan 1, 2012 and Jan 1, 2015



# Contact Us

## Office of State Tax Commissioner

- [taxinfo@nd.gov](mailto:taxinfo@nd.gov)
- [www.nd.gov/tax](http://www.nd.gov/tax)
- 701.328.7088 or 877.328.7088
- 600 E Boulevard Ave, Dept. 127  
Bismarck ND 58505-0599