

New Jersey Division of Taxation



Assessing Renewable Energy Systems

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Presentation

- Renewable energy systems on Commercial & Residential Properties (Chap 90).
- Renewable energy systems on farms. (Chap 213)
- Solar panels on vacant land. (Real or Personal prop)
- Open Discussion / Questions

Renewable energy systems on Commercial & Residential Properties

- Renewable Energy Systems is defined as “any equipment that is part of, or added to, a residential, commercial, industrial, or mixed use building as an accessory use, and that produces renewable energy onsite to provide all or a portion of the electrical, heating, cooling, or general energy needs of that building...”

Renewable energy systems on commercial Properties

Solar panels on golf cart storage shed



Renewable energy systems on residential properties

Windmill on residential property



Renewable energy systems on residential properties

Solar panel on residential property



Renewable energy systems on Commercial Property

A biomass powered manufacturing plant



Renewable energy systems

Non-electric solar thermal on residential property



Renewable energy systems

Non-electric solar thermal on residential property



Renewable energy systems on Commercial & Residential Properties

Chapter 90 includes:

- Solar energy, Wind energy, & Biomass*
- Fuel cells, Geothermal, Methane gas from landfills, Wave & Tidal action, Hydropower facility, Non-electrical solar thermal

*EPA –“meets highest environmental standards & minimizes any impacts”

Renewable energy systems

Application for residential and commercial properties

- Application for Certification of Renewable Energy Systems CRES (6-4-09)
- Must be signed by the Property owner, Installer, Construction Official and the Assessor.
- Exemption effective for the tax year following the year in which the certification is granted.

Renewable energy systems on Commercial & Residential Properties

CRES (6-1-09)

APPLICATION FOR CERTIFICATION OF RENEWABLE ENERGY SYSTEM(S) Pursuant to P.L. 2008, c.90

County: _____ Municipality _____

Section 1

Owners Name: _____ Email Address _____
Property Address: _____ Phone # _____ Fax # _____
Block _____ Lot _____

Section 2

Installer's Name: _____ Email Address _____
Property Address: _____ Phone # _____ Fax # _____

Renewable energy systems on Commercial & Residential Properties

Section 4

Date: _____

Property owner

Date: _____

Installer, or authorized representative

To the Tax Assessor:

I hereby certify this application has been:

Approved

Disapproved

Date: _____

Construction Official

I have reviewed the application/certification and accept / reject this claim for exemption.

Date: _____

Assessor

Renewable energy systems on Commercial & Residential Properties.

- Chapter 90 states:
 1. System use as an “Accessory Use”
 2. “Provide all or a portion of the electrical, heating, cooling, or general energy needs of that building”

Renewable energy systems on Commercial & Residential Properties.

Chapter 90 allows:

- Revocation of certificate.
 1. Obtained by fraud or misrepresentation.
 2. Has failed substantially to proceed with construction.
 3. Ceases to be used for primary purpose.
 4. Change of equipment or design previously certified by the local enforcing agent.

Renewable energy systems on Commercial & Residential Properties

Chapter 90 allows:

- “Any person aggrieved by any action of the assessor” may file an appeal.
- “Any person aggrieved by any action of the local enforcing agency” may seek review before the board of appeals.

Renewable energy systems on Commercial & Residential Properties

- The additional value of the improvement will be placed in the exemption field.
- Limited Exemption code is the code letter “Y”
- Public Law 2008, Chapter 90 is.....
www.njleg.state.nj.us/2008/Bills/PL08/90_.PDF
- The application is posted on our portal.

Renewable energy systems on Commercial & Residential Properties

Recap on chapter 90:

- CRES form application.
- “Accessory use”
- Provides all or a portion of energy.
- Certification can be revoked.
- Appeal process available.
- Exemption Code “Y”

Renewable energy systems on farms. Chapter 213



Renewable energy systems on farms.

Chapter 213

- Includes Solar energy, Wind energy, & Biomass systems.
- “Biomass” means an agricultural crop, crop residue, or agricultural byproduct that is cultivated, harvested, or produced on the farm or directly obtained from a farm where it was cultivated, harvested, or produced, and which can be used to generate energy in a sustainable manner.

Renewable energy systems on farms.

Chapter 213

- Owner files conservation plan w/ the soil conservation district.
- Operated on Agri/Horticultural land that was in the preceding year & is currently part of an operating farm.
- The power or heat generated is to be used to heat or power the farm.

Renewable energy systems on farms.

Chapter 213

- The ratio of acreage devoted to energy generation (structure and equipment) vs. agricultural/horticultural operation does not exceed 1 to 5 acres.
- Structure & equipment to be installed on **NO MORE** than 10 acres of eligible farmland and no than 2 megawatts of power.

Renewable energy systems on farms.

Chapter 213

- No income from the sale of power or heat may be considered income towards gross sales criteria.
- If solar power, the property under the panels is to be used for shade crops or grazing pasture, where practical.

Renewable energy systems on farms.

Chapter 213

- Installation or operation of any energy generation system in the pinelands are subject to the Pinelands Protection Act.
- If energy generation is Biomass, The owner needs to obtain approvals from Agricultural Department.

Solar Panels on vacant land (Real or Personal property)?



Solar Panels on vacant land (Real or Personal property)







Solar Panels on vacant land (Real or Personal property)

Areas to explore:

- What can be assessed? (3 prong injury test)
- Land leases

Solar Panels on vacant land (Real or Personal property)

- A. (1). The personal property so affixed can be removed or severed without material injury to the real property.
- (2). The personal property so affixed can be removed or severed without material injury to the personal property itself; and
- (3). The personal property so affixed is not ordinarily intended to be affixed permanently to real property; or

Solar Panels on vacant land (Real or Personal property)

Areas to explore:

- What can be assessed?
- Land leases – read them carefully.

Open Discussion / Questions

Questions

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