



General Assembly

January Session, 2025

**Raised Bill No. 7266**

LCO No. 6789



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:  
(FIN)

***AN ACT ESTABLISHING A UNIFORM SOLAR CAPACITY TAX.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2025*) (a) As used in this section:
- 2 (1) "Solar photovoltaic system" means equipment and devices that
- 3 (A) have the primary purpose of collecting solar energy and generating
- 4 electricity by photovoltaic effect, (B) have a nameplate capacity greater
- 5 than two megawatts of electricity, and (C) the nameplate capacity of
- 6 such equipment and devices exceeds the load for the location where
- 7 such generation is located;
- 8 (2) "Municipality" means any town, city, consolidated town and city
- 9 or consolidated town and borough; and
- 10 (3) "Uniform solar capacity tax year" means the annual accounting
- 11 period used to calculate the tax under this section, consisting of a
- 12 twelve-month period commencing on July first and ending the
- 13 following June thirtieth.

14 (b) Except as provided in subsection (h) of this section, for uniform  
15 solar capacity tax years commencing on and after July 1, 2026, each  
16 person that owns a solar photovoltaic system in the state for generation  
17 or displacement of energy shall pay an annual tax to the department of  
18 finance of each municipality in which the system or any part thereof is  
19 located, or, if the municipality does not have a department of finance, to  
20 the tax collector for such municipality. For the uniform solar capacity  
21 tax year commencing July 1, 2026, the tax shall be the product of the base  
22 amount of twelve thousand dollars multiplied by the number of  
23 megawatts, and any fractional portion thereof, of nameplate capacity for  
24 each such system. Commencing with the uniform solar capacity tax year  
25 commencing July 1, 2027, and each uniform solar capacity tax year  
26 thereafter, the base amount shall be increased by two per cent. If a solar  
27 photovoltaic system has multiple owners, each owner shall be jointly  
28 and severally liable for the tax owed pursuant to this section.

29 (c) The Office of Policy and Management shall develop a form to be  
30 submitted with the tax due under this section. Not later than July 31,  
31 2025, the department of finance in each municipality, or, for any  
32 municipality that does not have a department of finance, the tax  
33 collector of such municipality, shall furnish such form upon request.  
34 The tax imposed under this section shall be due and payable on the due  
35 date or due dates of such return, as determined by the department of  
36 finance or tax collector, as applicable. The department of finance or tax  
37 collector, as applicable, may require a single annual payment of the tax  
38 imposed under this section or may require semiannual or quarterly  
39 installments of such payment. Such tax shall be due and collectible as  
40 other property taxes and subject to the same liens and processes of  
41 collection.

42 (d) The revenues produced by the tax imposed under this section  
43 shall become part of the general revenue of the municipality in which  
44 the tax is paid.

45 (e) If a solar photovoltaic system is located in more than one

46 municipality, the tax shall be allocated between or among the  
47 municipalities in proportion to the nameplate capacity of the solar  
48 photovoltaic system located in each municipality.

49 (f) Whenever the tax imposed under this section is not paid when due  
50 to the department of finance or tax collector, as applicable, in a  
51 municipality, interest at the rate of one and one-half per cent per month  
52 or fraction thereof shall accrue on such tax from the due date of such tax  
53 until the date of payment.

54 (g) Any person claiming to be aggrieved by the action of a  
55 department of finance or tax collector under this section may appeal the  
56 tax to the Superior Court. Any person appealing the tax that pays a  
57 portion of such tax during the pendency of such appeal and indicates  
58 that such portion is paid "under protest" shall not be liable for any  
59 interest on the tax, provided such person pays not less than seventy-five  
60 per cent of the amount of the tax assessed by the municipality during  
61 the time limits prescribed by the department of finance or tax collector,  
62 as applicable, in such municipality in accordance with this section.

63 (h) (1) Any municipality acting through its board of selectmen, town  
64 council, court of common council or other legislative body shall have  
65 the power to enter into an agreement to freeze or stabilize the tax  
66 imposed under this section for any owner of a solar photovoltaic system  
67 located in such municipality, as provided in this subsection.

68 (2) With respect to any photovoltaic system located in more than one  
69 municipality, such agreement shall only pertain to the tax that is  
70 allocated to the municipality that enters into such agreement, in  
71 accordance with the provisions of subsection (e) of this section.

72 (i) For purposes of calculating the nameplate capacity of a solar  
73 photovoltaic system, the following shall be deemed to be part of the  
74 same solar photovoltaic system: (1) All equipment and devices that have  
75 the primary purpose of collecting solar energy and generating electricity  
76 by photovoltaic effect that are located on the same parcel; (2) all

77 equipment and devices that have the primary purpose of collecting solar  
78 energy and generating electricity by photovoltaic effect that are located  
79 on land that the current owner of any part of such land subdivided into  
80 multiple parcels but was part of the same parcel prior to such  
81 subdivision; and (3) all equipment and devices that have the primary  
82 purpose of collecting solar energy and generating electricity by  
83 photovoltaic effect that are located on adjoining parcels. Nothing in this  
84 subsection shall be construed to limit tax liability or the definitions in  
85 subsection (a) of this section.

86 Sec. 2. Subdivision (57) of section 12-81 of the general statutes is  
87 repealed and the following is substituted in lieu thereof (*Effective October*  
88 *1, 2025*):

89 (57) (A) (i) Any Class I renewable energy source, as defined in section  
90 16-1, or hydropower facility described in subdivision (21) of subsection  
91 (a) of section 16-1, installed for the generation of electricity where such  
92 electricity is intended for private residential use or on a farm, as defined  
93 in subsection (q) of section 1-1, provided (I) such installation occurs on  
94 or after October 1, 2007, (II) the estimated annual production of such  
95 source or facility does not exceed the estimated annual load for the  
96 location where such source or facility is located, where such load and  
97 production are estimated as of the date of installation of the source or  
98 facility as indicated in the written application filed pursuant to  
99 subparagraph [(E)] (G) of this subdivision, and (III) such installation is  
100 for a single family dwelling, a multifamily dwelling consisting of two to  
101 four units or a farm; (ii) any passive or active solar water or space  
102 heating system; or (iii) any geothermal energy resource. In the case of  
103 clause (i) of this subparagraph, the utilization of or participation in any  
104 net metering or tariff policy or program implemented by the state or  
105 ownership of such source or facility by a party other than the owner of  
106 the real property upon which such source or facility is installed shall not  
107 disqualify such source or facility from exemption pursuant to this  
108 section. In the case of clause (ii) or (iii) of this subparagraph, such  
109 exemption shall apply only to the amount by which the assessed

110 valuation of the real property equipped with such system or resource  
111 exceeds the assessed valuation of such real property equipped with the  
112 conventional portion of the system or resource;

113 (B) For assessment years commencing on and after October 1, 2013,  
114 any Class I renewable energy source, as defined in section 16-1,  
115 hydropower facility described in subdivision (21) of subsection (a) of  
116 section 16-1, or solar thermal or geothermal renewable energy source,  
117 installed for generation or displacement of energy, provided (i) such  
118 installation occurs on or after January 1, 2010, (ii) such installation is for  
119 commercial or industrial purposes, (iii) the nameplate capacity of such  
120 source or facility does not exceed the load for the location where such  
121 generation or displacement is located, and (iv) such source or facility is  
122 located in a distressed municipality, as defined in section 32-9p, with a  
123 population between one hundred twenty-five thousand and one  
124 hundred thirty-five thousand;

125 (C) For assessment years commencing on and after October 1, 2013,  
126 any municipality may, upon approval by its legislative body or in any  
127 town in which the legislative body is a town meeting, by the board of  
128 selectmen, abate up to one hundred per cent of property tax for any  
129 Class I renewable energy source, as defined in section 16-1, hydropower  
130 facility described in subdivision (21) of subsection (a) of section 16-1, or  
131 solar thermal or geothermal renewable energy source, installed for  
132 generation or displacement of energy, provided (i) such installation  
133 occurs between January 1, 2010, and December 31, 2013, (ii) such  
134 installation is for commercial or industrial purposes, (iii) the nameplate  
135 capacity of such source or facility does not exceed the load for the  
136 location where such generation or displacement is located, and (iv) such  
137 source or facility is not located in a municipality described in  
138 subparagraph (B) of this subdivision;

139 (D) [For] Subject to the provisions of subparagraph (E) of this  
140 subdivision, for assessment years commencing on and after October 1,  
141 2014, any (i) Class I renewable energy source, as defined in section 16-1,

142 other than a nuclear power generating facility, (ii) hydropower facility  
143 described in subdivision (21) of subsection (a) of section 16-1, or (iii)  
144 solar thermal or geothermal renewable energy source, installed for  
145 generation or displacement of energy, provided (I) such installation  
146 occurs on or after January 1, 2014, (II) is for commercial or industrial  
147 purposes, (III) the nameplate capacity of such source or facility does not  
148 exceed the load for the location where such generation or displacement  
149 is located or the aggregated load of the beneficial accounts for any Class  
150 I renewable energy source participating in virtual net metering  
151 pursuant to section 16-244u, and (IV) in the case of clause (iii) of this  
152 subparagraph, such exemption shall apply only to the amount by which  
153 the assessed valuation of the real property equipped with such source  
154 exceeds the assessed valuation of such real property equipped with the  
155 conventional portion of the source;

156 (E) For assessment years commencing on and after October 1, 2025,  
157 the exemption provided for under clause (i) of subparagraph (D) of this  
158 subdivision shall apply only to equipment and devices that have the  
159 primary purpose of generating electricity and shall not apply to any real  
160 property on which such equipment and devices are located or installed;

161 (F) For assessment years commencing on and after October 1, 2025,  
162 any Class I renewable energy source consisting of equipment and  
163 devices that have the primary purpose of collecting solar energy and  
164 generating electricity by photovoltaic effect. The exemption under this  
165 subparagraph shall apply only to equipment and devices that have the  
166 primary purpose of generating electricity and shall not apply to any real  
167 property on which such equipment and devices are located or installed;

168 ~~[(E)]~~ (G) Any person claiming [the] an exemption provided in this  
169 subdivision for any assessment year shall, on or before the first day of  
170 November in such assessment year, file with the assessor or board of  
171 assessors in the town in which such hydropower facility, Class I  
172 renewable energy source, solar thermal or geothermal renewable  
173 energy source or passive or active solar water, ~~z~~ [or] space heating system

174 or geothermal energy resource or solar photovoltaic system is located, a  
175 written application claiming such exemption. Such application shall be  
176 made on a form prepared for such purpose by the Secretary of the Office  
177 of Policy and Management, in consultation with the Connecticut  
178 Association of Assessing Officers and the Connecticut Green Bank  
179 established pursuant to section 16-245n, and shall include, but not be  
180 limited to, a statement of the estimated annual load and production of a  
181 source or facility described in clause (i) of subparagraph (A) of this  
182 subdivision as of the date of the installation of such source or facility.  
183 Said secretary shall make such application available to the public on the  
184 Internet web site of the Office of Policy and Management. Failure to file  
185 such application in the manner and form as provided by the secretary  
186 within the time limit prescribed shall constitute a waiver of the right to  
187 such exemption for such assessment year. Such application shall not be  
188 required for any assessment year following that for which the initial  
189 application is filed, provided if such hydropower facility, Class I  
190 renewable energy source, solar thermal or geothermal renewable  
191 energy source or passive or active solar water, [or] space heating system  
192 or geothermal energy resource or solar photovoltaic system is altered in  
193 a manner [which] that would require a building permit, such alteration  
194 shall be deemed a waiver of the right to such exemption until a new  
195 application, applicable with respect to such altered source, is filed and  
196 the right to such exemption is established as required initially. [In the  
197 event that] If a person owns more than one such source, [or] facility or  
198 system in a municipality, such person may file a single application  
199 identifying each source, [or] facility or system;

200 [(F)] (H) For assessment years commencing on and after October 1,  
201 2015, any municipality may, by vote of its legislative body or, in a  
202 municipality where the legislative body is a town meeting, by vote of  
203 the board of selectmen, abate up to one hundred per cent of the property  
204 taxes due for any tax year, for not longer than the term of the power  
205 purchase agreement, with respect to any Class I renewable energy  
206 source, as defined in section 16-1, that is the subject of such power

207 purchase agreement approved by the Public Utilities Regulatory  
208 Authority pursuant to section 16a-3f;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2025</i>	New section
Sec. 2	<i>October 1, 2025</i>	12-81(57)

**Statement of Purpose:**

To establish a uniform solar capacity tax on solar photovoltaic systems.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*