



The North Carolina Solar Industry is Arbitrarily Excluded from Paying the Fully Assessed Property Tax due to Local Government

NCACC Advocacy Brief

Seek legislation which will repeal NCGS 105-275(45) which mandates that counties must exclude eighty percent (80%) of the appraised value of a solar energy electric system from property taxation. If repeal of NCGS 105-275(45) is not feasible, then seek legislation which will require that the State of North Carolina provide funding to any county which is forced to lose tax revenue due to NCGS 105-275(45) in an amount equal to the lost tax revenue to said county.

Issue At-A-Glance

- In August 2008, North Carolina enacted legislation that exempts 80% of the appraised value of a "solar energy electric system" (also known as a photovoltaic, or PV, system) from property tax. The term "solar energy electric system" means "all equipment used directly and exclusively for the conversion of solar energy to electricity."
- This law reduces the local property tax base for local governments and picks winners and losers in the private sector.

North Carolina has risen to rank **4th** in the country in total solar capacity. This represents about **9.01%** of the state's electricity being derived from solar resources.

Issue Background

This law was implemented to encourage growth in the solar industry in North Carolina. Since that time, North Carolina has risen to rank 4th in the country in total solar capacity according to the Solar Energy Industries Association. This represents about 9.01% of the state's electricity being derived from solar resources.

With the solar industry firmly off the ground and well established in North Carolina, this arbitrary exclusion of property tax income for local governments no longer makes sense and unfairly picks winners and losers in the private sector.

County Recommendation

Counties would like to see a full repeal of NCGS NCGS 105-275(45) to ensure that government is no longer picking winners and losers and that local governments will have the resources needed to serve their citizens.

