



Iowa

Property Tax Exemption for Renewable Energy Systems

Incentive Type: Property Tax Exemption

Eligible Renewable/Other: Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Solar Thermal

Technologies: Electric, Photovoltaics, Wind

Applicable Sectors: Commercial, Industrial, Residential, Agricultural

Amount: 100% of project value

Max. Limit: None

Terms: Five full assessment years

Authority 1: Iowa Code § 441.21(8)

Effective Date: 01/01/1978

Summary:

In Iowa, the market value added to a property by a solar or wind energy system is exempt from the state's property tax for five full assessment years. According to Iowa law, eligible systems include (1) a system of equipment capable of collecting and converting incident solar radiation or wind energy into thermal, mechanical, or electrical energy and transforming these forms of energy by a separate apparatus to storage or to a point of use which is constructed or installed after January 1, 1978; or (2) a system that uses the basic design of the building to maximize solar heat gain during the cold season and to minimize solar heat gain in the hot season and that uses natural means to collect, store and distribute solar energy which is constructed or installed after January 1, 1981.

The Iowa Department of Revenue has determined that this exemption can be applied to systems whose "primary purpose" is to store or provide electricity for use at the site where the system is located. This clarifies that systems which periodically export electricity to the grid (e.g., net metered systems) are eligible to claim the exemption as long as they are used primarily to serve on-site electricity demand.

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