

A large wind turbine stands in a field of golden-brown grass under a blue sky with wispy clouds. In the foreground, a wooden fence post is wrapped with several strands of rusty, tangled barbed wire. Another wooden post is visible to the right. The scene is lit with warm, golden light, suggesting late afternoon or early morning.

Wind Taxes

State by State Comparison in the
Rocky Mountains

Modeling Inputs

- Plant Size (Nameplate capacity) → 99 MW (66 @ 1.5 MW turbines)
- Installed cost (per megawatt) → \$2,500,000 / MW
- Installed percent subject to sales tax → 80%
- Net capacity factor → 38%
- Project life → 20 years

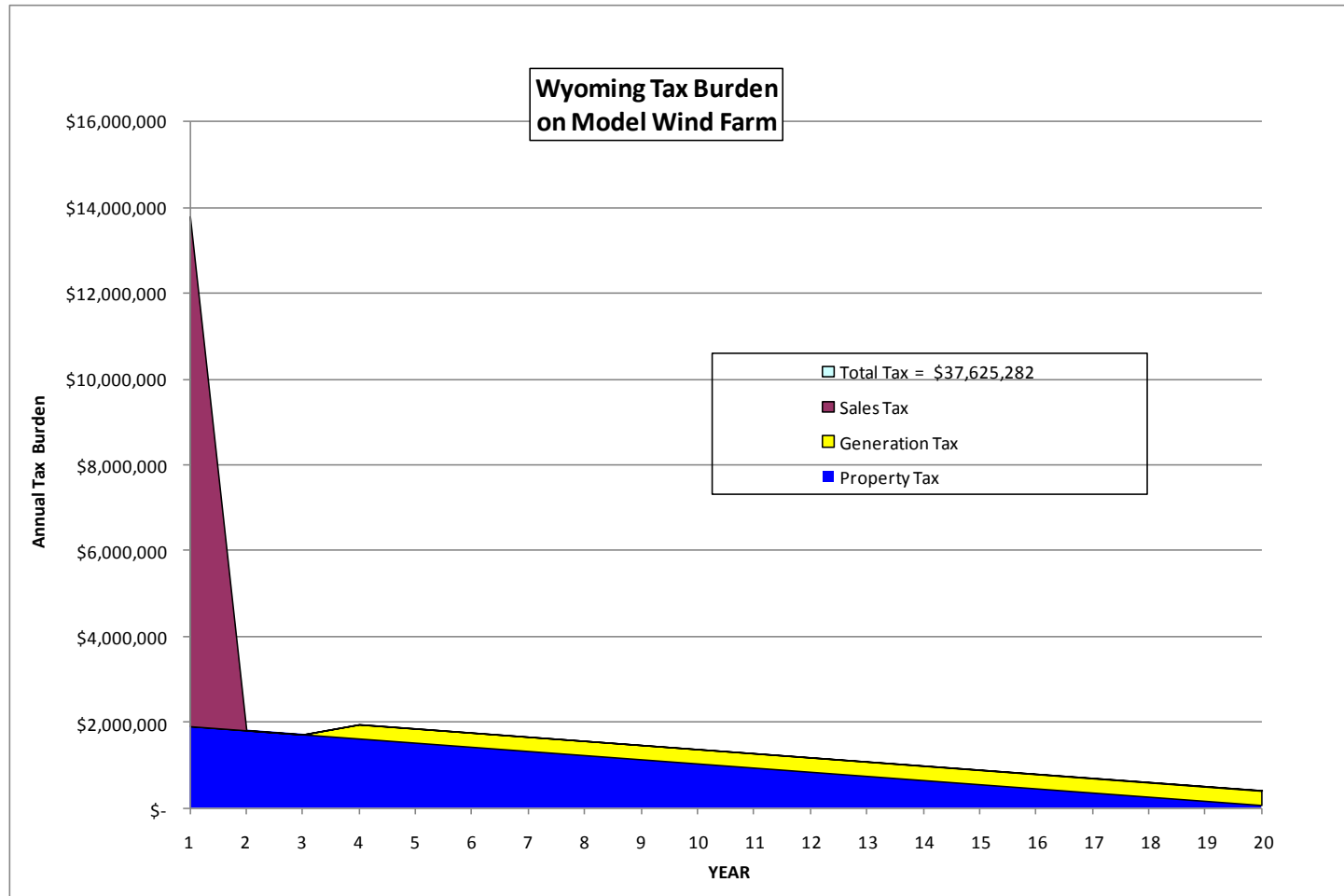
Wind Farm Model

- 99 Megawatts installed capacity
- \$247,500,000 installed cost
- \$198,000,000 subject to sales tax
- 329,551 Megawatt hours produced annually



Current Wyoming Taxes

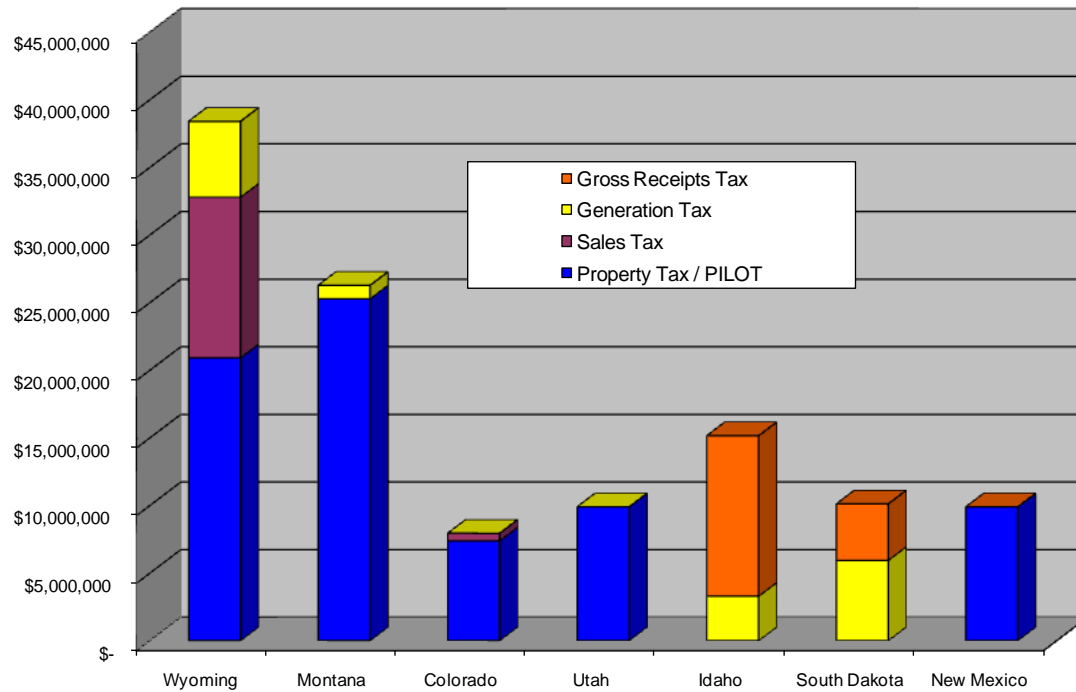
- Sales tax on all tangible goods (~6%)
- Property Tax (cost basis, straight line depreciation over 20 years, no floor) = 67.4 mills on 11.5% assessment
- Generation Tax = \$1 / MWH



How does Wyoming Stack Up to its Neighbors?

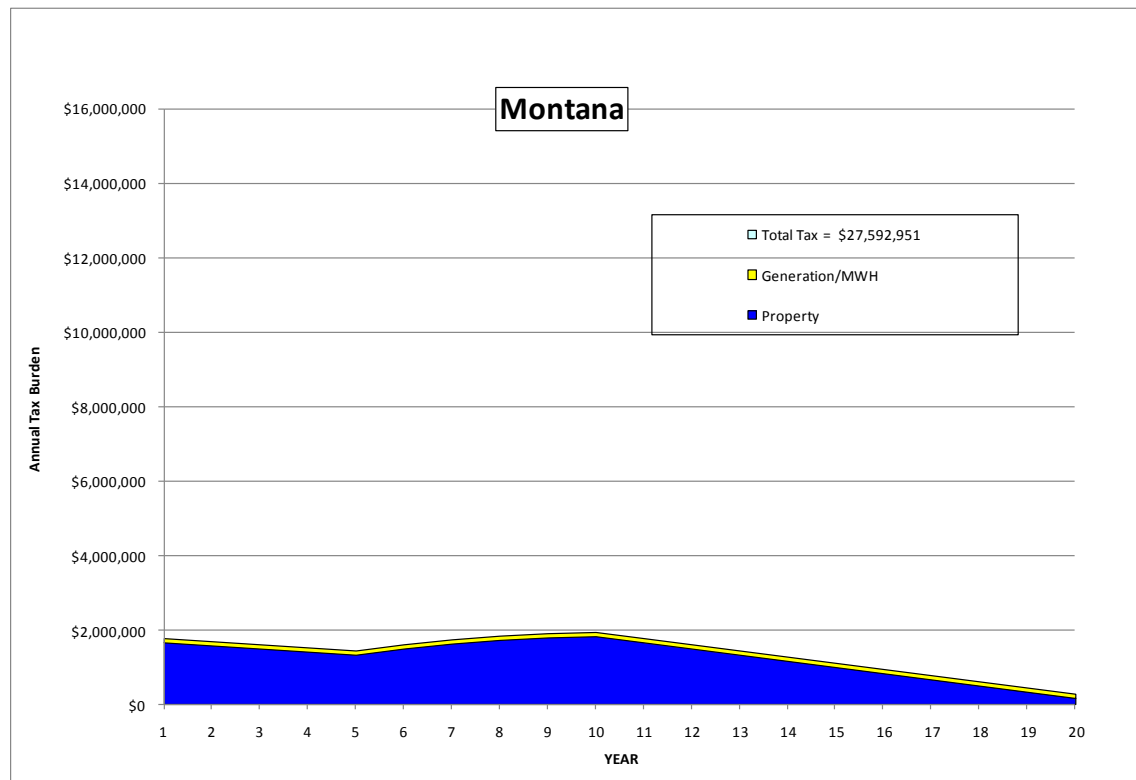
(Exclusive of State Corporate Income Tax)

A Comparison of State Tax Burdens



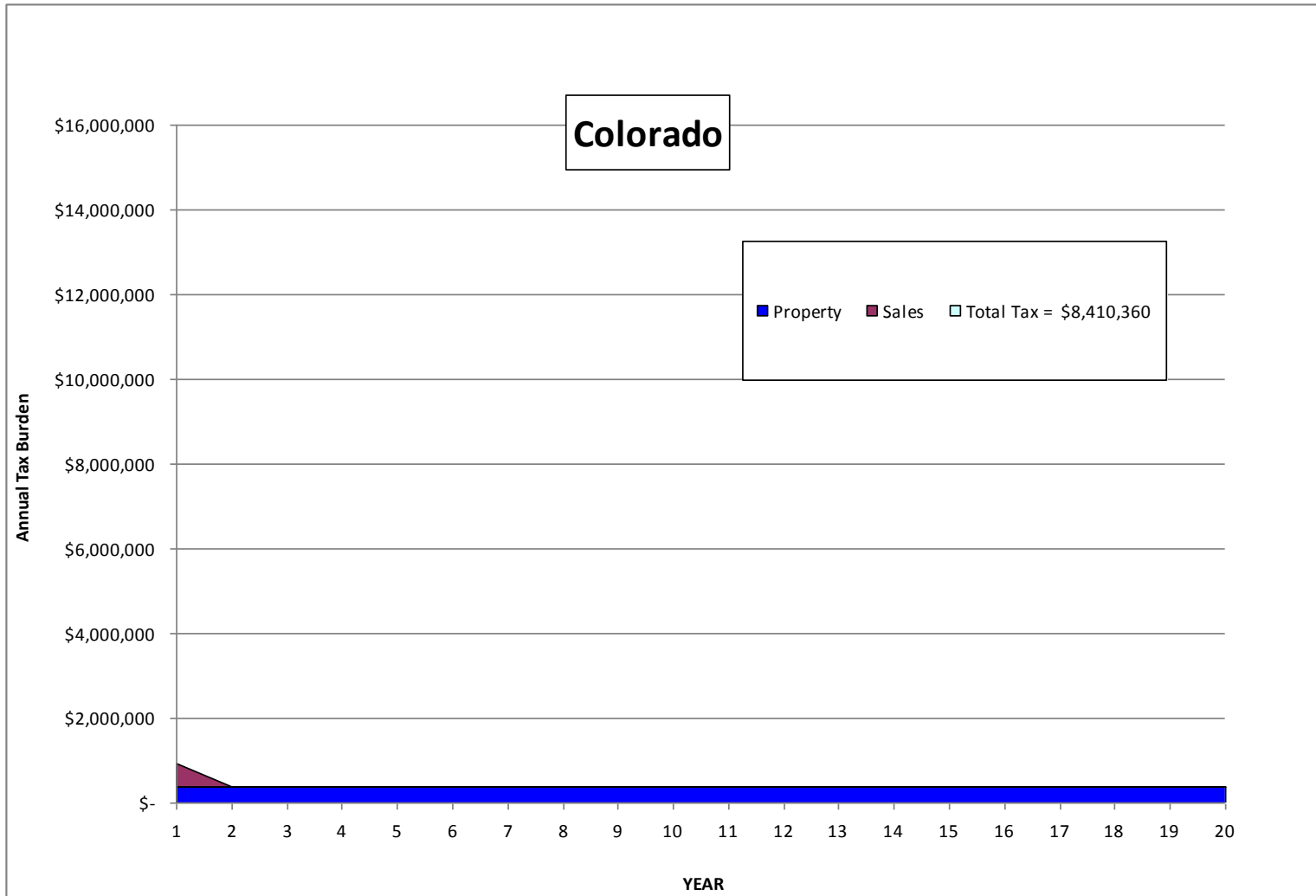
Montana

- Property Tax (cost basis) = 451.12 mills on 3% assessment with 50% discount for 1st 5 years, and increasing at 10% per year thereafter.
- For 10 years following installation, the first \$100,000 of appraised value for wind facilities are exempt from property taxes.
- Generation Tax = \$0.35 / MWH



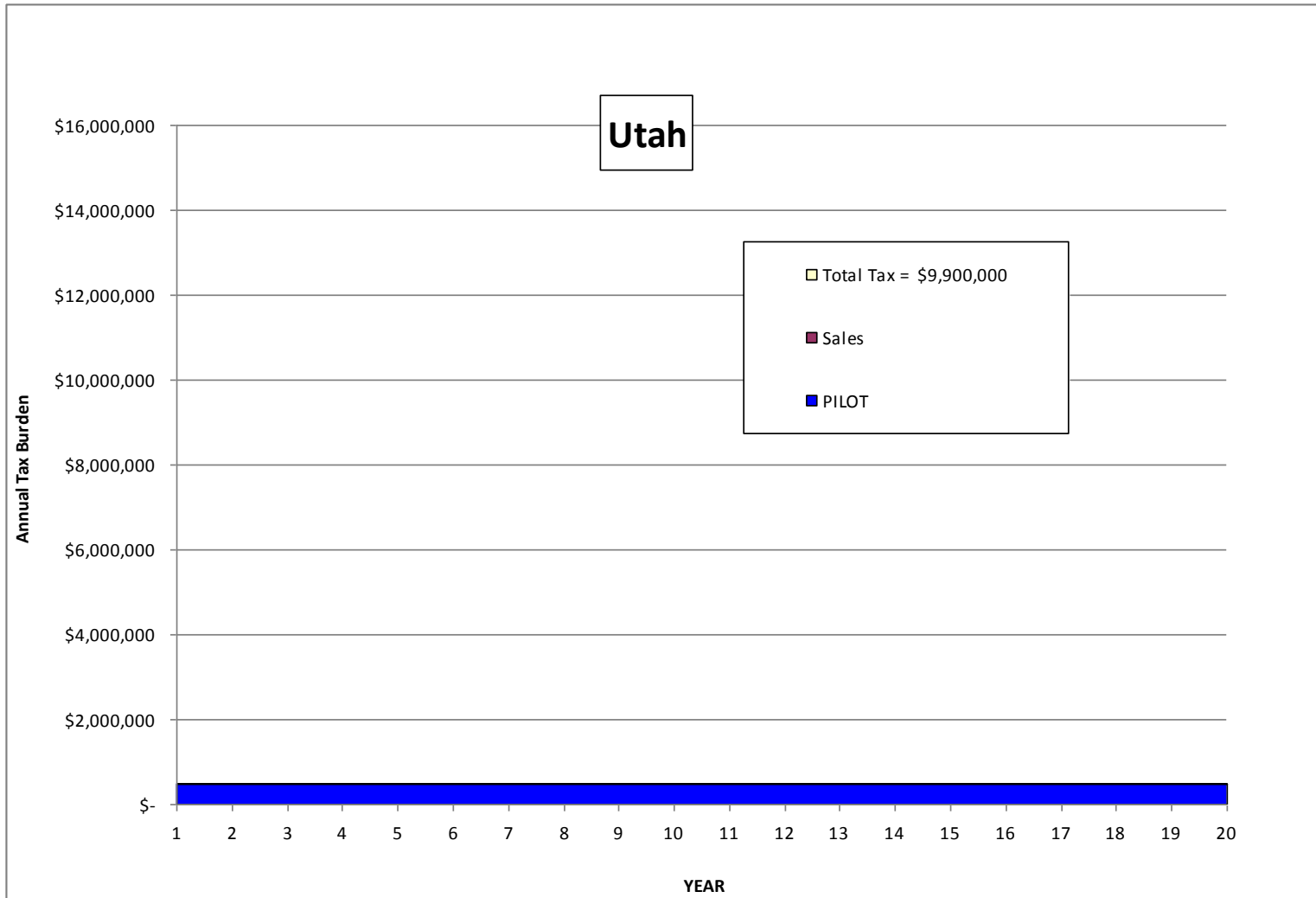
Colorado

- Sales tax on balance of plant costs only 3.65%-4.85%
- Property Tax (income basis) = 59.12 mills on 29% assessed valuation. Includes a multiplier based on gross receipts that flattens out the payment over life of project.



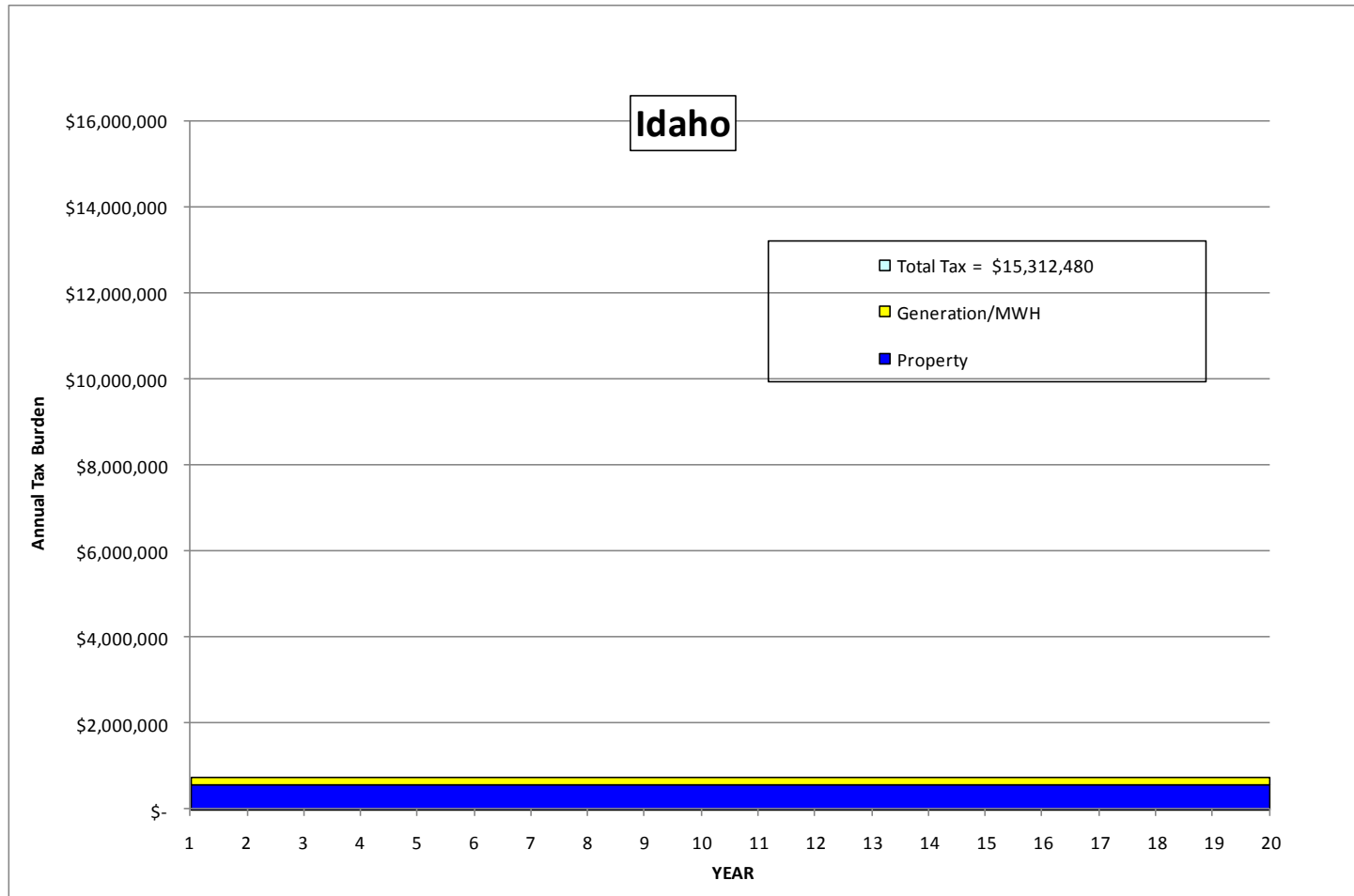
Utah

- Sales Tax (some balance of plant and replacement parts) at 5.3%-5.85%
- Property Tax (cost basis) = 6 mills on 100% assessed valuation, but PILOTs are allowed.
- State can provide 100% abatement of state taxes.



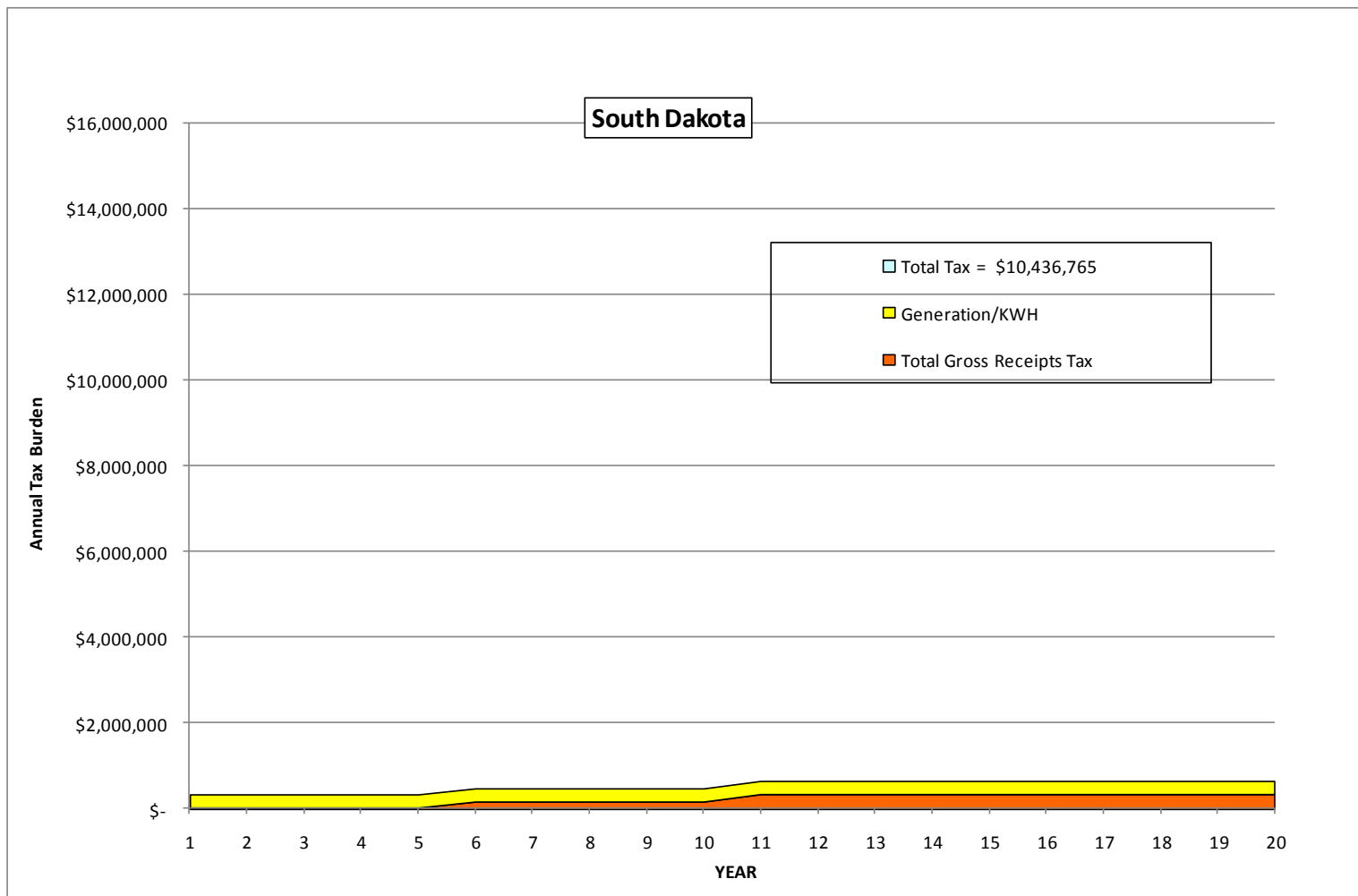
Idaho

- Gross Receipts Tax = Idaho has imposed a 3% gross receipts tax in lieu of property tax
- Generation Tax = \$0.50 / MWH



South Dakota

- Sales Tax (replacement parts only) at 4%
- Gross Receipts Tax = 2% of production times SD “Base Rate”. Partial rebate allowed for up to 10 years
- Generation Tax (on installed capacity) = 3 mills / kwh



New Mexico

- Property Tax (cost basis, straight line depreciation, declining assessment rate), 25.11 mills on declining assessment from 33%-25%. PILOTs are allowed.
- Gross Receipts Tax, 5% of gross revenue
- Use of Industrial Revenue Bonds for financing exempts project from gross receipts tax

