



Tax Assessments for Solar and Wind Projects Addressed in NY State Budget

NEW YORK CITY, April 22, 2021 – Part X of the NYS Budget (S2509-C) amends the real property tax law in an attempt to standardize tax assessments for solar or wind renewable energy projects. Under existing laws, these projects are eligible for an exemption from real property taxes, but local taxing jurisdictions can “opt out” of the exemption and impose taxes or PILOTs that are negotiated on a case-by-case basis. Opting out can occur just prior to the commencement of operations, which makes it difficult to predict the economics of renewable energy projects. The new RPTL amendment attempts to mitigate this issue by providing that the assessed value for solar or wind energy systems with capacity of 1 MW or more should be determined by a discounted cash flow approach that includes an appraisal model to be developed and published by the New York State Department of Taxation and Finance in consultation with NYSERDA and the New York State Assessors Association. While local taxing jurisdictions will not be required to use this model, its mere existence will be a start toward more predictability and consistency for developers of solar and wind projects.

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