

## How is Wind Energy Taxed in Michigan?

Tax revenue from installed **wind** projects in Michigan comes from property taxes! Wind projects increase the tax base of a county, reducing the burden on taxpayers.

### Property taxes

Michigan's Legislature defines Wind Energy System assets as personal property, subjected to property tax.

### Personal Property

Personal property is generally valued using depreciation tables that result in decreasing taxable values.

The STC has set the multiplier table to determine the true cash value for wind turbines: turbines to be assessed at 100% of original historical cost in year 1, and declines over 10 years to 30% of its original cost for the remainder of the turbines life.

Taxable revenue from wind projects is very **steady predictable income** as the projects cannot move away like manufacturers or retailers can.

#### Sources:

1. Department of Environment, Great Lakes, and Energy, "Lessons Learned: Community Engagement for Wind Energy Development in Michigan". January 2018.

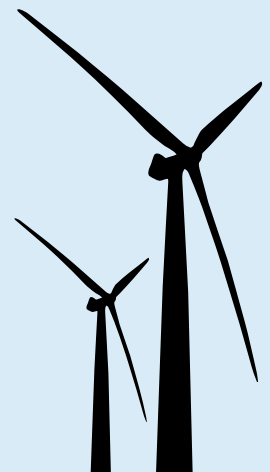
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Michigan assesses personal property annually based on taxable value= tax revenues to local governments will change over time

STC=  
State Tax  
Commission



## How is Solar Energy Taxed in Michigan?

Tax revenue from installed **solar** projects in Michigan comes from property taxes! Solar projects increase the tax base of a county, creating new revenue streams for education and other local government services.

### Property taxes

Utility-scale photovoltaic systems are to be reported, classified, and assessed as both utility and industrial personal property, subjected to property tax.

The most common method of valuing personal property in Michigan is using original cost valuation multipliers applied to the historic cost of acquiring the property.

Total property taxes paid by the project start out at the maximum and decline linearly due to depreciation, which is offset by the trending factor, until it reaches max depreciation.

Taxable revenue from solar projects is very **steady predictable income** as the projects cannot move away like manufacturers or retailers can.

#### Sources:

1. State of Michigan Department of Treasury, "STC Solar Valuation Memo". December 14, 2021. [https://www.michigan.gov/-/media/Project/Websites/treasury/Delta/7/STC\\_Solar\\_Valuation\\_Memo.pdf?rev=d9ee206e21ff45f68f9c17c0486f4795](https://www.michigan.gov/-/media/Project/Websites/treasury/Delta/7/STC_Solar_Valuation_Memo.pdf?rev=d9ee206e21ff45f68f9c17c0486f4795)
2. Strategic Economic Research, "Economic Impact Analysis of Coldwater Solar Project". November, 2020. [https://www.coldwatersolar.com/economic\\_impact](https://www.coldwatersolar.com/economic_impact)

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**Utility-scale PV system=**  
2 MW capacity or larger

**Multipliers**  
Different multipliers for different types of property

