HOUSE OF REPRESENTATIVES

SB 1229

tax exemption; residential solar electricity
Sponsors: Senators Griffin: Biggs, Driggs, et al.

DPA	Committee on Ways and Means
DPA	Caucus and COW
X	As Transmitted to the Governor

OVERVIEW

SB 1229 prescribes transaction privilege (TPT) and use tax exemptions related to the transfer of solar photovoltaic electricity to an electric utility distribution system

HISTORY

Approved by the Arizona Corporation Commission in 2006, the Renewable Energy Standard and Tariff (REST) rules require regulated electric utilities to generate 15 percent of their energy from renewable resources by 2025. To that end, Arizona's major electric utility companies (Arizona Power Systems, Salt River Project and Tucson Electric Power) offer buyback programs to individuals possessing solar energy technologies. Under these programs, the electrical utility company redistributes excess electricity generated by an individual's solar energy system, and then credits the value of the redistributed electricity against the individual's future energy consumption.

PROVISIONS

- Excludes the transfer of solar photovoltaic electricity to an electric utility distribution system from the definition of *business*, as it relates to TPT and use taxes.
- Deducts the portion of gross proceeds of sales or gross income attributable to the transfer of solar photovoltaic electricity to an electric utility distribution system from the tax base of the utilities classification (TPT).
- Excludes sales or transfers of *renewable energy credits* from the retail and utilities classification (TPT).
- Exempts the sale or transfer of *renewable energy credits* from use tax.
- Defines *renewable energy credit*.