

**132nd MAINE LEGISLATURE****LD 819****LR 1020(03)****An Act to Clarify the Status of Energy Storage Systems with Regard to the Business Equipment Tax Exemption and the Business Equipment Tax Reimbursement Program****Fiscal Note for Bill as Engrossed with:****C "A" (H-770)****Committee: Taxation**

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$0	\$0	\$0	(\$343,000)
Appropriations/Allocations				
General Fund	\$0	\$0	\$0	(\$343,000)

Fiscal Detail and Notes

This bill excludes energy storage systems from eligibility for the Business Equipment Tax Exemption and the Business Equipment Tax Reimbursement unless the energy storage system is co-located with a customer subscribed to a majority of the output or there was a fully executed interconnection agreement between the battery storage system owner and a transmission and distribution utility by January 1, 2025. The bill includes ongoing General Fund deappropriations of \$343,000 starting in fiscal year 2028-29 to the Bureau of Revenue Services within the Department of Administrative and Financial Services for decreased tax reimbursements paid to municipalities for property tax years beginning on or after April 1, 2025. Deappropriations are delayed until fiscal year 2028-29 because the energy storage systems that would be rendered ineligible for the Business Equipment Tax Exemption are not anticipated to be eligible under current law until 2028.