

## 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

**Legislative Document** 

No. 1549

H.P. 1067

House of Representatives, April 27, 2017

An Act To Create a Tax on the Production of Electricity from Wind Resources

Reference to the Committee on Taxation suggested and ordered printed.

ROBERT B. HUNT Clerk

R(+ B. Hunt

Presented by Representative STEARNS of Guilford.

Cosponsored by Senator DAVIS of Piscataquis and

Representatives: GRIGNON of Athens, HIGGINS of Dover-Foxcroft, STETKIS of Canaan,

WADSWORTH of Hiram, Senator: SAVIELLO of Franklin.

1	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 35-A MRSA §3405 is enacted to read:
3	§3405. Wind Energy Impact Fund
4 5 6	1. Fund established. The Wind Energy Impact Fund, referred to in this section as "the fund," is established for the purpose of compensating certain property owners for the impact of wind energy production. The fund is administered by the commission.
7 8 9	2. Funding. The fund consists of proceeds from the wind power excise tax transferred to the fund under Title 36, section 2751 and any other resources made available to the fund.
10 11 12 13 14	3. Use of the fund. The commission shall identify the geographical areas affected by wind energy production subject to tax under Title 36, section 2751 and establish a process for distribution of revenues received from the tax to ratepayers in those affected areas through a credit against the costs of transmission and distribution of electricity to those ratepayers.
15	Sec. 2. 36 MRSA c. 368 is enacted to read:
16	CHAPTER 368
17	WIND POWER EXCISE TAX
18	§2751. Tax on wind power
19 20 21 22 23	1. Definition of "wind energy producer." As used in this chapter, unless the context otherwise indicates, "wind energy producer" means a person that is engaged in the business of using wind resources to produce electricity for sale or trade and that uses wind resources to produce at least 100 megawatt-hours of electricity per year for sale or trade.
24 25 26 27 28 29 30	<b>2. Imposition.</b> Beginning January 1, 2018, a tax is imposed on a wind energy producer for the privilege of using wind power to produce electricity from wind resources for sale or trade. The tax is calculated pursuant to subsection 4 on electricity as measured at the point of interconnection with an electric transmission line. The tax is not imposed until 3 years after the turbine that produces the electricity first produced electricity for sale or trade regardless of whether the production of electricity began prior to January 1, 2018.
31 32 33 34	3. Exclusion. The tax is not imposed on the production of electricity at any facility that is owned or operated by the Federal Government, the State, a county or municipality in the State or any individual producing electricity from wind resources for that individual's personal use.
35 36	4. Rate of tax. The tax is imposed at the rate of \$1 per megawatt-hour of electricity produced from wind resources in this State.

- 5. Payment of tax. A wind energy producer shall prepare and submit to the bureau by February 1st annually a return according to the procedures specified by the bureau showing the total megawatt-hours of electricity produced from wind resources in the preceding year and other information required by the bureau. The tax imposed under this section must be paid at the time the return is submitted.
- 6. Records. A wind energy producer shall keep a record of all electricity produced from wind resources in this State and make that record available for inspection by the assessor at all times.
- 7. Application of revenue. Revenue from the tax imposed under this section must be deposited in the Wind Energy Impact Fund established in Title 35-A, section 3405.

11 SUMMARY

This bill creates an excise tax on wind energy producers for the privilege of using wind power to produce electricity from wind resources for sale or trade beginning January 1, 2018. The tax is equal to \$1 per megawatt-hour of electricity produced as measured at the point of interconnection with an electric transmission line. The tax first applies 3 years after the turbines producing the electricity first begin operation. The tax does not apply to the Federal Government, the State, a county or municipality in the State or any individual producing electricity from wind resources for that individual's personal use.

Revenue from the tax is transferred to a newly created Wind Energy Impact Fund to be administered by the Public Utilities Commission. The commission is required to establish a process for distribution of revenues to ratepayers in areas affected by the wind energy production that is subject to the tax.