

# Summary of State Incentives and Legislation for Renewable Energy Production

September 26, 2007  
Georgia Forestry Commission

## Summary

Every State and Washington D. C. has some type of financial incentive or legislative mandate in place to support renewable energy (RE) production and/or use. Most have more than one incentive in place. Many also require the use of biofuels in state fleets.

The most common incentives are reduced sales tax on biofuels, property tax exemptions, funding assistance to install fueling equipment at stations, payments to producers based on production, and the implementation of a renewable (energy) portfolio standard (RPS).

Please see the table below for states with specific types of incentives and laws. The table is followed by an alphabetical listing of states with a summary of each state's incentives and laws.

Details concerning these incentives can be found at the US Department of Energy website on Energy Efficiency and Renewable Energy [www.eere.energy.gov/afdc](http://www.eere.energy.gov/afdc) and from [www.dsireusa.org](http://www.dsireusa.org).



STATE	TAX EXEMPTIONS/REDUCTIONS	FUELING INFRASTRUCTURE SUPPORT	PRODUCTION PAYMENTS	STATE TAX CREDITS & DEDUCTIONS	RENEWABLE FUEL USE STANDARD	STATE FLEET REQMT	OTHER
Delaware					20% by 2019		State offers grant(s) for renewable technologies. Minimum solar or customer sited RE requirement.
Florida	State has a Sales Tax Exemption for Renewable Energies.	Sales tax exempt		State offers corporate tax incentives for renewables.			State offers \$25M grant(s) for renewable technologies. Income tax credit on 75% of sales tax for prod and fueling, construction, and equip costs
Georgia	State has a Sales Tax Exemption for Renewable Energies.	Matching grant up to lesser of \$20K or 33.33%.				Yes	
Hawaii	Sales tax reduced. Total exemption from excise tax			Yes – based on plant size. State offers corporate & personal tax incentives for renewables.	10% by 2010 15% by 2015 20% by 2020	Yes	Investment tax credit for new technologies.
Idaho	State has a Sales Tax Exemption for Renewable Energies.			State offers personal tax incentives for renewables.			

STATE	TAX EXEMPTIONS/REDUCTIONS	FUELING INFRASTRUCTURE SUPPORT	PRODUCTION PAYMENTS	STATE TAX CREDITS & DEDUCTIONS	RENEWABLE FUEL USE STANDARD	STATE FLEET REQMT	OTHER
Illinois	E85 total exemption; Property Tax Exemptions for Renewable Energies	Grant of 50% cost for E85 fueling eq			25% by 2025	Yes	State operated pilot plant; State offers grant(s) for renewable technologies.
Indiana	10 cent tax credit to retailer; Property Tax Exemptions for Renewable Energies	Grants		12.5 cents per gallon – new and expanded			Immune statute/gps systems have fueling locations; State offers grant(s) for renewable technologies.
Iowa	State has a Sales & Property Tax Exemption for Renewable Energies plus Tax credit to retailer	Grants		Tax credit to retailers on ethanol blends at the rate of 2.5 cents per gallon. This applies to each gallon sold over 60% of the total fuel sold by retailer	Iowa requires 105 MW from renewable-energy resources; 25% AF by 2020		Low interest loans for production plants; State offers grant(s) for renewable technologies.
Kansas	Reduced Sales Tax; property tax exemption for renewables.		7.5 cents/gl up to 15 mil. Gl.			Yes – B2	
Kentucky						Yes	Renewable loan program
Louisiana	State has property tax exemption for renewables.			State offers personal & corporate tax incentives for renewables.	2% ethanol – 6 mo. After 50 mil. Gl state production.		RFS requires 20% in-state feedstock (corn).

STATE	TAX EXEMPTIONS/REDUCTIONS	FUELING INFRASTRUCTURE SUPPORT	PRODUCTION PAYMENTS	STATE TAX CREDITS & DEDUCTIONS	RENEWABLE FUEL USE STANDARD	STATE FLEET REQMT	OTHER
Maine	Reduced	Loans – E85	5 cents/gl		RPS – 30% by 2000; 10% new resources by 2017.		State offers grant(s) for renewable technologies.
STATE	SALES TAX REDUCTION	FUELING INFRASTRUCTURE SUPPORT	PRODUCTION PAYMENTS	STATE TAX CREDITS & DEDUCTIONS	RENEWABLE FUEL USE STANDARD	STATE FLEET REQMT	OTHER
Maryland	State has a Sales & Property Tax Exemption for Renewable Energies		5 cents/gl with max of 15 mil gl.	State offers personal & corporate tax incentives for renewables.	RPS – 9.5% by 2022		Minimum solar or customer sited RE requirement.
Mass	State has a Sales & Property Tax Exemption for Renewable Energies.			State offers personal & corporate tax incentives for renewables.	4% by 2009; then 1% annual increase		State offers grant(s) for renewable technologies.
Michigan	State has Property Tax Exemptions for Renewable Energies						State offers grant(s) for renewable technologies.
Minnesota	State has Sales & Property Tax Exemption for Renewable Energies	Grants of 50% costs for E85			All E10 now; All E20 by 2013; RPS – 25% by 2025.		
Mississippi			20 cents/gl to max of 30 mil gl				State has loan programs for Renewables.

STATE	TAX EXEMPTIONS/REDUCTIONS	FUELING INFRASTRUCTURE SUPPORT	PRODUCTION PAYMENTS	STATE TAX CREDITS & DEDUCTIONS	RENEWABLE FUEL USE STANDARD	STATE FLEET REQMT	OTHER
Missouri	Reduced by 17 cents/gl (significant)		20 cents/gl to max of 12.5 mil gl		11% by 2020	Yes	
Montana	Reduced sales tax & property tax exemptions for renewables.		30 cents/gl	State tax credits &/or deductions for renewables.	15% by 2015 & all E10 when in-state prod. 40 mil gl	Yes	Production payments require in-state feedstocks
Nebraska	State has a Sales Tax Exemption for Renewable Energies inc E85.	Loans		State offers personal & corporate tax incentives for renewables.		Yes	
Nevada	State has property tax exemptions for renewables.				20% by 2015		Minimum solar or customer sited RE requirement.
New Hampshire	State has a Sales & Local Property Tax Exemption for Renewable Energies.				23.8% in 2025		Minimum solar or customer sited RE requirement.
New Jersey	State has a Sales Tax Exemption for Renewable Energies	Rebate			22.5% by 2021		Minimum solar or customer sited RE requirement.
New Mexico	State has a Sales Tax Exemption for Renewable Energies.			State offers personal & corporate tax incentives for renewables.	20% by 2020 for investor owned utilities		Tax deduction for biomass used to produce fuels; Minimum solar or customer sited RE requirement.

STATE	TAX EXEMPTIONS/REDUCTIONS	FUELING INFRASTRUCTURE SUPPORT	PRODUCTION PAYMENTS	STATE TAX CREDITS & DEDUCTIONS	RENEWABLE FUEL USE STANDARD	STATE FLEET REQMT	OTHER
New York	State has a Sales & Property Tax Exemption for Renewable Energies.	grants		Renewable fuel production tax credits up to \$2.5 M per project per yr; NY offers personal tax incentives for renewables.	24% by 2013.	Yes	Invested in 2 pilot plants; State offers grant(s) for renewable technologies. Minimum solar or customer sited RE requirement.
North Carolina	Total Sales Tax exemption for alternative fuels; Property Tax Exemption for Renewable Energies	Income tax credit on a portion of costs		Income tax credit of 35% on property tax paid on ethanol plant	12.5% by 2021.		Minimum solar or customer sited RE requirement.
North Dakota	Sales Tax reduced to 1 cent/gl for E85; property tax exemption for renewables.		40 cents/gl to max of 15 mil gl	State offers personal & corporate tax incentives for renewables.		Yes	
Ohio	State has a Sales & Property Tax Exemption for Renewable Energies.	Grants		State offers corporate tax incentives for renewables.		Yes	State offers grant(s) for renewable technologies.
Oklahoma	Tax credit of 16 cents/gl to retailers			20 cents/gl to max of 25 ml gal			

STATE	TAX EXEMPTIONS/REDUCTIONS	FUELING INFRASTRUCTURE SUPPORT	PRODUCTION PAYMENTS	STATE TAX CREDITS & DEDUCTIONS	RENEWABLE FUEL USE STANDARD	STATE FLEET REQMT	OTHER
Oregon				Income tax credit of 35% of const. cost of ethanol plant; other personal tax incentives available.	25% by 2025		Property tax exemption of 50% on ethanol plant for 5 years; State offers grant(s) for renewable technologies.
Pennsylvania	State Property Tax Exemptions for Renewable Energies.	Grants – 20% of costs			18% by 2020		State offers grant(s) for renewable technologies. Minimum solar or customer sited RE requirement.
Rhode Island	State has Sales & Property Tax Exemption for Renewable Energies.			State offers personal tax incentives and rebates for renewables.	16% by 2020		
South Carolina	Payment to retailer of 5 cents/gal sold			20 cents/gal plus 25% of cost of const. of ethanol plant.			
South Dakota	Reduced Sales Tax; Property tax exemption for renewables.		20 cents/gal to max of 7 mil gal				
Tennessee	State has Property Tax Exemptions for Renewable Energies	Grants					State offers grant(s) for renewable technologies.

STATE	TAX EXEMPTIONS/REDUCTIONS	FUELING INFRASTRUCTURE SUPPORT	PRODUCTION PAYMENTS	STATE TAX CREDITS & DEDUCTIONS	RENEWABLE FUEL USE STANDARD	STATE FLEET REQMT	OTHER
Texas	Ethanol/diesel blends exempt; property tax exemption for renewables.			State offers corporate tax incentives for renewables.	RPS – 5,880 MW by 2015		Grants for clean burning buses and other items
Utah	State has a Sales Tax Exemption for Renewable Energies.			State offers personal & corporate tax incentives for renewables.			
Vermont	State has a Sales Tax Exemption for Renewable Energies.				RE meets load growth by 2012		
Virginia	Local Option Property Tax Exemptions for Renewable Energies.		10 cents/gl		12% by 2022		Minimum solar or customer sited RE requirement.
Washington DC					11% by 2022		State offers grant(s) for renewable technologies. Minimum solar or customer sited RE requirement.
Washington	State has a variety of Sales Tax Exemptions for Renewable Energies.	Sales tax exemption on equipment			2% biodiesel and all E2 by 2008; Electrical generation - 15% by 2020.		Sales tax exemption on biofuels production equipment

STATE	TAX EXEMPTIONS/REDUCTIONS	FUELING INFRASTRUCTURE SUPPORT	PRODUCTION PAYMENTS	STATE TAX CREDITS & DEDUCTIONS	RENEWABLE FUEL USE STANDARD	STATE FLEET REQMT	OTHER
W. Virginia	State Property Tax Exemptions for Renewable Energies.			State offers corporate tax incentives for renewables.			
Wisconsin	Reduced Sales Tax; Property Tax Exemption for Renewable Energies		20 cents/gl to max of 15 ml gl		RPS – 10% by 2015.	Yes	State offers grant(s) for renewable technologies.
Wyoming	State has a Sales Tax Exemption for Renewable Energies.			40 cents/gl to max of 4 mil gl		yes	Producer tax credit requires 25% in-state feedstock
Number states participating	45	16	10	26	30	16	

These are interpretations of incentives listed on several websites and several reports. The details on many are not specific and vary from state to state. Many also have funding limits, minimum or maximum production limits, and other details.

**Alabama-**

State offers grant(s) for renewable technologies.

State offers personal tax incentives for renewables.

State fleet required to use alternative fuels when possible.

**Alaska-**

Reduced sales tax on ethanol fuels.

State fleet required to use alternative fuels when possible.

**Arizona-**

State has a Sales & Property Tax Exemptions for Renewable Energies.

RPS – 15% by 2025.

State offers personal & corporate tax incentives for renewables.

Refueling stations are immune from liability if follow certain procedures.

**Arkansas-**

Ethanol sales tax is based on gasoline equivalent basis. This reduces tax per gallon.

**California-**

RPS – 20% by 2010

State has property tax exemptions for renewables.

State offers personal tax incentives for renewables.

**Colorado-**

RPS – 20% by 2020

State vehicle diesel fleet must use biodiesel blends if cost is less than 10 cents per gallon above petro diesel. Fuel use of state fleet flex fuel vehicles must be 10% ethanol. These restrictions should be in place by January, 2007.

State has a Local Option for Sales Tax Exemption for Renewable Energies.

State has property tax exemptions for renewables.

Tax credit for refueling equipment installation.

**Connecticut-**

State has a Sales & Property Tax Exemption for Renewable Energies.

State offers grant(s) for renewable technologies.

RPS - 23% by 2020

### **Delaware-**

State offers grant(s) for renewable technologies.

RPS – 20% by 2019

### **Florida-**

State has a Sales Tax Exemption for Renewable Energies.

State offers \$25M grant(s) for renewable technologies.

Income tax credit against 75% sales and use tax for ethanol and biodiesel production facility construction, operation, and maintenance costs. Same credit applies to fueling equipment installation.

County governments are eligible for “waste reduction credits” if waste is used in the production of ethanol.

### **Georgia-**

State has a Sales & Use Tax Exemption for Renewable Energies.

State fleet to purchase flexible fuel vehicles when such technologies are economically practical.

State-owned refueling facilities to purchase ethanol and biodiesel blends economically practical.

Fuel station E85 infrastructure installation - matching grant up to lesser of \$20K or 33.33%.

### **Hawaii-**

RPS – Fuel from alternative sources must make up 10% of fuel sold in 2010, 15% in 2015 and 20% in 2020. Cellulosic ethanol can be counted as 2.5 gallons for each gallon sold. Also, 85% of gasoline sold must be E10 by April, 2006.

E10 and better fuel is exempt from the 4% excise tax. Sales tax is also reduced.

Tax credit for production – 30% of capacity of plant – rate not specified.

Business investment tax credit for new technologies, including alternative fuels.

State offers personal tax incentives for renewables.

## **Idaho-**

State has a Sales Tax Exemption for Renewable Energies.

State offers personal tax incentives for renewables.

## **Illinois-**

Total sales tax exemption for retail sale of E85 and 20% exemption on E10.

State has Property Tax Exemptions for Renewable Energies

Alternative fuels are required in state fleet to extent “practical”.

E85 infrastructure grant that includes a 50% cost share for fueling facilities.

The State operates a corn-to-ethanol research pilot plant.

RPS - 25% by 2025

State offers grant(s) for renewable technologies.

## **Indiana-**

Biofuels Grant Program for fueling stations to install equipment.

State has Property Tax Exemptions for Renewable Energies

Tax credit to retailers of 10 cents per gallon for E85 sales.

E85 retailers are immune from civil liability involving consumers pumping incorrect fuel.

Tax credit for new and expanding ethanol plants of 12.5 cents per gallon.

State program to educate consumers and vehicle sales industry, including effort to get gps coordinates of biofuels fueling stations in gps software systems in new vehicles.

State offers grant(s) for renewable technologies.

## **Iowa-**

Grants and cost share program for E85 fueling stations to install equipment.

Tax credit to retailers on ethanol blends at the rate of 2.5 cents per gallon. This applies to each gallon sold over 60% of the total fuel sold by retailer.

RPS - Iowa requires its two investor-owned utilities to contract for a combined total of 105 megawatts (MW) from renewable-energy resources

Renewable Fuels Standard (RFS) – 25% alternative fuels sold in state by 2020.

Sales tax is reduced on E85 over gasoline sales tax.

State has a Sales & Property Tax Exemptions for Renewable Energies.

Low interest loans for production plants.

State offers grant(s) for renewable technologies.

### **Kansas-**

Production incentive payment for alcohol fuels of 7.5 cents per gallon with maximum of 15 million gallons per year.

Reduced sales tax on E85.

State has property tax exemption for renewables.

State fleet use of B2 is required in diesel vehicles.

### **Kentucky-**

State fleet directed to use alternative fuels.

### **Louisiana-**

RFS- Fuel sales in state must be 2% ethanol within 6 months after in-State production of ethanol reaches 50 million gallons. Feedstock must be a minimum of 20% from Louisiana.

State offers personal & corporate tax incentives for renewables.

State has property tax exemption for renewables.

### **Maine-**

Production incentive payment to domestic biofuels producers of 5 cents per gallon.

Ethanol fuel sales tax is reduced.

RPS – 30% by 2000; 10% new resources by 2017.

State offers grant(s) for renewable technologies.

Loans for E85 refueling infrastructure.

### **Maryland-**

Biofuels production credits of 5 cents per gallon with a maximum of 15 million gallons; 10 million gallons must be from small grain production.

State has a Sales & Property Tax Exemption for Renewable Energies.

State offers personal incentives for renewables.

Minimum solar or customer sited RE requirement.

RPS – 9.5% by 2022.

### **Massachusetts-**

State has a Sales & Property Tax Exemption for Renewable Energies.

State offers personal & corporate tax incentives for renewables.

State offers grant(s) for renewable technologies.

RPS - 4% by 2009; then 1% annual increase.

### **Michigan-**

State offers grant(s) for renewable technologies.

State has Property Tax Exemptions for Renewable Energies

### **Minnesota-**

State has a Sales and Property Tax Exemption for Renewable Energies.

RPS - Sales of ethanol blended fuels mandated of E10 now and E20 by 2013;  
Overall - 25% by 2025.

Reduced sales tax on E85.

Cost share grants for refueling infrastructure of 50% costs.

### **Mississippi-**

Production incentive payments to producers of ethanol or biodiesel of 20 cents per gallon up to 30 million gallons.

State has loan programs for Renewables.

### **Missouri-**

Sales tax reduction on E85 of 17 cents per gallon (significant).

Production incentive payments of 20 cents per gallon for ethanol up to 12.5 million gallons.

RPS –11% by 2020.

State fleet must use biofuels.

### **Montana-**

Sales tax reduction for ethanol fuels and property tax exemptions for renewables.

State tax credits &/or deductions for renewables.

State has grants and loans for renewable resources.

State fleet must use biofuels.

Production incentive payment to producers of 30 cents per gallon when in-state feedstocks are used.

RPS – 15% by 2015 & all gasoline fuel sold in state must be minimum E10 after in-state production of ethanol reaches 40 million gallons per year.

### **Nebraska-**

State has a Sales Tax Exemption for Renewable Energies inc E85.

State offers personal & corporate tax incentives for renewables.

Loans for fueling stations.

State fleet use of biofuels required.

### **Nevada-**

RPS - 20% by 2015.

State has property tax exemptions for renewables.

Minimum solar or customer sited RE requirement.

### **New Hampshire**

RPS – 23.8% in 2025.

State has a Sales & Local Property Tax Exemption for Renewable Energies.

Minimum solar or customer sited RE requirement.

### **New Jersey-**

Alternative fuels infrastructure rebate (fueling stations).

State has a Sales Tax Exemption for Renewable Energies

RPS - 22.5% by 2021.

Minimum solar or customer sited RE requirement.

### **New Mexico-**

Income tax deduction for the value of all biomass materials used to produce fuel.

State has a Sales Tax Exemption for Renewable Energies.

State offers personal & corporate tax incentives for renewables.

Grants to state and local governments for clean energy projects of \$100,000.

Minimum solar or customer sited RE requirement.

RPS – 20% by 2020 for investor owned utilities.

### **New York-**

\$10 Million Grants for fueling stations to handle biofuels.

\$25.2 Million invested in two cellulosic biomass to energy pilot plants.

No state sales tax on renewable fuels.

State Property Tax Exemptions for Renewable Energies.

Renewable fuel production tax credits up to \$2.5 Million per project per year.

State fleet converting to hybrid and flex fuel vehicles. 600 such vehicles in fleet by Jan 1, 2007.

RPS – 24% by 2013.

State offers grant(s) for renewable technologies.

State offers personal & corporate tax incentives for renewables.

Minimum solar or customer sited RE requirement.

### **North Carolina-**

Total sales tax exemption for biofuels. Property Tax Exemptions for Renewable Energies.

Income tax credit of 35% of property tax paid on biofuels production facilities

Income tax credit on a portion of the cost of fueling infrastructure for biofuels.

RPS - 12.5% by 2021.

Minimum solar or customer sited RE requirement.

State also offers personal tax incentives for renewables.

## **North Dakota-**

Production incentive payment of 40 cents per gallon up to 15 million gallons for ethanol production.

E85 sales tax reduced to 1 cent per gallon.

State offers personal & corporate tax incentives for renewables.

State has property tax exemption for renewables.

State fleet required to use alternative fuels.

## **Ohio-**

State has a Sales & Property Tax Exemption for Renewable Energies.

Grants for fueling stations to handle biofuels.

State offers corporate tax incentives for renewables.

State fleet must use 1 million gallons of biodiesel and 30,000 gallons of E85 each year.

State offers grant(s) for renewable technologies.

## **Oklahoma-**

Income tax credit to producers of biofuels at rate of 20 cents per gallon with 25 million gallon per year maximum

Tax credit to retailers of 16 cents per gallon on the contingency that they pass the savings on to consumers.

## **Oregon-**

Income tax credit of 35% of the costs of building an ethanol plant; other personal tax incentives available.

Property tax exemption of 50% for 5 years on ethanol plants.

RPS - 25% by 2025

State offers grant(s) for renewable technologies.

## **Pennsylvania-**

Grants for refueling infrastructure up to 20% of costs.

State offers grant(s) for renewable technologies.

Minimum solar or customer sited RE requirement.

State Property Tax Exemptions for Renewable Energies.

RPS – 18% by 2020.

### **Rhode Island-**

State has a Sales & Property Tax Exemption for Renewable Energies.

State offers personal tax incentives and rebates for renewables.

RPS – 16% by 2020.

### **South Carolina-**

Payment to retailers of E85 of 5 cents per gallon, if E85 is sold at no more than 5 cents per gallon below the gasoline price.

Income tax credit for producers of ethanol at 20 cents per gallon.

Income tax credit to ethanol producers of 25% of the cost of the construction of the ethanol production facility.

State also offers personal tax incentives for renewables.

### **South Dakota-**

Reduced retail tax on biofuels.

State has property tax exemption for renewables.

Production incentive payment of 20 cents per gallon up to 7 million gallons.

### **Tennessee-**

Refueling facility grants.

State offers grant(s) for renewable technologies.

State has Property Tax Exemptions for Renewable Energies.

### **Texas-**

Ethanol and diesel blends are exempt from sales tax.

Grants for purchase of clean burning alternative fuel vehicles in special cases, such as school bus replacements.

RPS – 5,880 MW by 2015

State offers corporate tax incentives for renewables.

State has property tax exemption for renewables.

### **Utah-**

State has a Sales Tax Exemption for Renewable Energies.

State offers personal & corporate tax incentives for renewables.

### **Vermont-**

State has a Sales Tax Exemption for Renewable Energies.

RE meets load growth by 2012

### **Virginia-**

Production incentive payment of 10 cents per gallon.

Local Option Property Tax Exemptions for Renewable Energies.

RPS – 12% by 2022

### **Washington D. C.**

State offers grant(s) for renewable technologies.

RPS – 11% by 2022

### **Washington-**

Sales tax exemption for equipment used in distribution and production of biofuels.

Partial property tax exemptions for ethanol plants.

RPS – Sales of fuel in state must be 2% biodiesel and all E2 (for gasoline) by 2008; Electrical generation 15% by 2020.

State has a Sales Tax Exemption for Electricity from Renewable sources.

### **West Virginia-**

State offers corporate tax incentives for renewables.

State Property Tax Exemptions for Renewable Energies.

### **Wisconsin-**

Partial sales tax exemption on ethanol fuels.

State has property tax exemptions for renewable energies

Production incentive payment of 20 cents per gallon up to 15 million gallons.

RPS – 10% by 2015.

State fleet must use biofuels.

State offers grant(s) for renewable technologies.

### **Wyoming-**

Income tax credit for E85 producers at 40 cents per gallon up to \$4 million dollars per year.

Feedstock must include 25% in-state sources.

State has a Sales Tax Exemption for Renewable Energies

State fleet must use alternative fuels.