

VIRGINIA ACTS OF ASSEMBLY -- 2022 SESSION

CHAPTER 493

An Act to amend the Code of Virginia by adding a section numbered 58.1-2606.1, relating to local taxation of machinery and tools used directly in producing or generating renewable energy for certain solar projects; revenue share assessment.

[S 502]

Approved April 11, 2022

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 58.1-2606.1 as follows:

§ 58.1-2606.1. Local taxation for solar photovoltaic projects five megawatts or less.

A. Notwithstanding clause (iv) of subsection C of § 58.1-3660, generating equipment of solar photovoltaic projects five megawatts or less shall be taxable by a locality, at a rate determined by such locality, but shall not exceed the real estate rate applicable in that locality, and notwithstanding subsection F of § 58.1-3660, the exemption shall be as follows: 80 percent of the assessed value in the first five years in service after commencement of commercial operation, 70 percent of the assessed value in the second five years in service, and 60 percent of the assessed value for all remaining years in service.

B. Notwithstanding clause (iii) of subsection B of § 58.1-2636, solar photovoltaic projects five megawatts or less shall not be exempt from the assessment of a revenue share by ordinance of that locality, as otherwise authorized pursuant to the provisions of § 58.1-2636. If a locality assesses a revenue share on solar photovoltaic projects five megawatts or less pursuant to this subsection, the exemption for such projects, as measured in alternating current (AC) generation capacity, shall, in lieu of the amounts specified in subsection A, be 100 percent of the assessed value.

C. Nothing herein shall be construed to authorize local taxation pursuant to this section, § 58.1-2636, or § 58.1-3660 of generating or storage equipment of solar photovoltaic projects that serve the electricity needs of that property upon which such solar facilities are located, as is provided in § 15.2-2288.7.

2. That the provisions of this act shall not apply to any solar photovoltaic projects five megawatts or less that were approved by a locality prior to July 1, 2022.