



THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF REVENUE
DIVISION OF LOCAL SERVICES

IRA A. JACKSON
COMMISSIONER

EDWARD J. COLLINS, JR.
DEPUTY COMMISSIONER

PROPERTY TAX BUREAU

INFORMATIONAL GUIDELINE
RELEASE NO. 84 - 209

SUBJECT: Solar or wind-
powered heating and energy
systems or devices

PROPERTY TAX EXEMPTIONS FOR SOLAR
AND WIND POWERED SYSTEMS OR DEVICES
(G.L. Ch.59, Sec.5, Cl.45)

GUIDELINES:

1. The property tax exemption available for solar or wind-powered heating or energy systems or devices applies only to those devices whose sole function is to supply heat or other energy.
2. Only one application is required for the duration of the 20-year exemption period.
3. Assessors should indicate on the property record card the year the exemption expires and note that the taxable value shown on the card is net of the exempt device or system.
4. Assessors should maintain a separate list of such exemptions, indicating the respective expiration dates.

DISCUSSION:

Eligibility. The law provides an exemption from local property taxes for any solar or wind-powered system or device which is being utilized as a primary or auxiliary power system for the purpose of heating or otherwise supplying the energy needs of property taxable under Chapter 59. The exemption is allowed for 20 years from the date of installation.

Any components that serve a dual purpose (both structural and energy-related, for example) are not eligible for this exemption. Greenhouses are not eligible; they serve more than one purpose. Windows, thermal drapes and floors are among other features which are considered to have a dual purpose and, therefore, will not be exempt under Clause 45.

Examples of items which are eligible for the exemption are the thermal storage rods, storage box, fan system, and duct work that are constructed to function exclusively as part of the solar or wind-powered energy or heat-supplying system.

Application. Because eligibility for an exemption under Cl. 45 depends solely upon characteristics of the property, rather than the taxpayer's situation or his use of the property, there is no need to require an annual application which would merely restate the facts ascertained in establishing the original eligibility. This distinguishes Cl. 45 exemptions from others for which an annual application is required (such as Cl. 17, 22, 37, and 41), because qualification for those exemptions depends upon the taxpayer's circumstances, which may change after the first determination of eligibility.