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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4305

03/14/2022 Authored by Long
The bill was read for the first time and referred to the Committee on Climate and Energy Finance and Policy
03/24/2022 Adoption of Report: Re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; production tax; creating an exemption from the solar energy
1.3 production tax; amending Minnesota Statutes 2021 Supplement, section 272.0295,
1.4 subdivision 2.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2021 Supplement, section 272.0295, subdivision 2, is
1.7 amended to read:

1.8 Subd. 2. Definitions. (a) For the purposes of this section, the term "solar energy
1.9 generating system" means a set of devices whose primary purpose is to produce electricity
1.10 by means of any combination of collecting, transferring, or converting solar generated
1.11 energy.

1.12 (b) The total size of a solar energy generating system under this subdivision shall be
1.13 determined according to this paragraph. Unless the systems are interconnected with different
1.14 distribution systems, the nameplate capacity of a solar energy generating system shall be
1.15 combined with the nameplate capacity of any other solar energy generating system that:

1.16 (1) is constructed within the same 12-month period as the solar energy generating system;
1.17 and

1.18 (2) exhibits characteristics at the time of development of being a single development,
1.19 including but not limited to ownership structure, an umbrella sales arrangement, shared
1.20 interconnection, revenue-sharing arrangements, and common debt or equity financing.

1.21 In the case of a dispute, the commissioner of commerce shall determine the total size of the
1.22 system and shall draw all reasonable inferences in favor of combining the systems. In

2.1 determining the total size of the system, the commissioner of commerce shall determine  
2.2 that a solar energy generating system that has received an executed interconnection agreement  
2.3 pursuant to section 216B.1641, from the public utility subject to section 116C.779, any time  
2.4 after adoption of the order contained in Public Utility Commission (PUC), docket number  
2.5 E002/M-13-867, dated August 6, 2015, is considered to be a solar energy generating system  
2.6 with a capacity of one megawatt alternating current or less and is exempt from the tax  
2.7 imposed by this section.

2.8 For the purposes of making a determination under this paragraph, the original construction  
2.9 date of an existing solar energy conversion system is not changed if the system is replaced,  
2.10 repaired, or otherwise maintained or altered.

2.11 (c) In making a determination under paragraph (b), the commissioner of commerce may  
2.12 determine that two solar energy generating systems are under common ownership when the  
2.13 underlying ownership structure contains similar persons or entities, even if the ownership  
2.14 shares differ between the two systems. Solar energy generating systems are not under  
2.15 common ownership solely because the same person or entity provided equity financing for  
2.16 the systems.

2.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.