



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

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Jerome E. Horton Board of Equalization Chair Applauds Bill Providing Property Tax Incentives for New Active Solar Energy Systems

Jerome Horton, Chairman of the Board of Equalization, today applauded Governor Jerry Brown for signing into law ABX1 15 by Assembly Member Jerry Hill (D-San Mateo), ensuring that existing and future solar installation projects throughout the state can continue to benefit from the property tax exclusion authorized by Revenue and Taxation Code 73, regardless of the financing mechanism used.

This bill clarifies that newly constructed active solar energy systems financed using sale-leaseback and similar arrangements that require the solar energy system itself, but not the real estate, to be sold or transferred to a third party, will continue to receive the property tax exclusion.

“This bill was needed to make it clear that there is no increased property tax liability when an active solar energy system is newly installed without regard to the particular financing arrangements used to fund its construction or installation,” Chairman Horton said. “I support the bill because it reaffirms California's commitment to alternative energy systems while simultaneously balancing the economic needs of the state.”

Existing property tax law, since the early 1980's, has promoted solar energy in California by providing that constructing or installing an active solar energy system will not trigger any increase in property tax. Generally, any value added by the solar energy system will not be subject to property taxation for so long as the property is owned by the same person.

http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_0001-0050/abx1_15_bill_20110628_chaptered.pdf

Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization Legislative Committee chairman. He is the first to serve on the Board of Equalization with over 21 years of experience with the Board of Equalization. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects more than \$48 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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