

# **SOLAR ENERGY EQUIPMENT TAX EXEMPTION**

## City of Alexandria, Virginia

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### **General Information**

Property owners can qualify for a tax exemption for the installation of solar equipment that is designed and used primarily for the purpose of providing for the collection and use of solar energy for water heating, space heating or cooling or other applications which would otherwise require a conventional source of energy. Qualifying solar energy systems include solar heating and hot water systems, passive solar energy systems, south facing windows used as solar collectors, trombe walls (a sun facing wall designed to collect solar energy and act as a thermal mass for heating the structure), greenhouses integrated into the heating system of the structure, thermal storage systems, movable insulation, and shading devices designed primarily for shading windows to assist in summer cooling.

### **Program Description**

- The tax exemption program is open to any property owner who resides in Alexandria that holds the title of the property.
- The tax exemption program applies to both residential and commercial property.
- Qualifying equipment or system installations will entitle the property owner to a tax exemption for five years.
- The value of the tax exemption is based on the cost or a percentage of the cost of the installation and the solar equipment, facilities or devices installed. The percentage or formula for the exemption is set out in the 13 VAC 5-200-10 et seq. of the Virginia Administrative Code.
- There is no cost to apply for tax exemption.

### **Submission Requirements**

In order to qualify for the tax exemption, property owners must provide the following:

- A completed application for Solar Energy Equipment, Facilities or Devices Certification for Real or Personal Property Tax Exemption.
- A copy of the plans, specifications, and drawings of the solar energy equipment, facilities or devices for which certification is requested.
- A brief narrative description of the function of the solar energy equipment, facilities or devices. Include in the narrative rated capacity of installation, intended performance levels, and estimated energy and cost savings.
- The cost of the installed solar energy equipment, facilities or devices (materials and labor) and documentation of such costs. Items such as receipts, cancelled checks, or contracts for equipment installation shall be considered as documented cost data for the purposes of calculating the tax exemption.
- A permit application as required under the Virginia Uniform Statewide Building Code (USBC) for the installation of the solar energy equipment, facilities or devices.

## Program Procedures

- Apply for the appropriate permits and participate in the tax exemption program by submitting the required applications and documentation described above to the Permit Center, 4<sup>th</sup> floor of City Hall, 301 King Street, Room 4200.
- Once the equipment is installed and all required inspections are approved for conformance with the USBC, the Department of Code Administration shall approve and certify such application to the Assessor.
- The Assessor will review the application and calculate the value of the tax exemption.
- The Assessor shall notify the applicant by letter of the final approval of the tax exemption, the amount of the exemption, and the time period for which the tax exemption shall apply.

## Program Example

The property owner has entered into a contract for a total of \$12,000 to install solar energy panels (\$8,000 in solar energy equipment and \$4,000 for installation). Code Administration has completed their inspections certified the application to the Assessor.

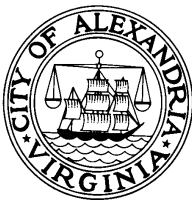
The \$12,000, in this example, is considered the value of the exemption and would be deducted from the assessed value of the property every year for 5 years.

*(The percentage or formula used is outlined in the Virginia Administrative Code. Many items such as solar panels or hot water systems are at 100% of cost and installation as shown in this example. Where other items such as south facing windows and greenhouses are based on a percentage or formula as stated in the Code.)*

The tax savings is calculated as follows: \$12,000 divided by 100, then multiplied by the current tax rate. The amount of tax savings over the 5 year period may vary depending on the tax rate that is in effect for each tax year.

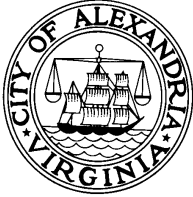
## Contact Us

For questions about the application, what equipment qualifies, the permit process, or inspections, please contact the Permit Center at 703.746.4200. For questions about the tax exemption calculation, please contact Real Estate Assessments at 703.746.4646.



The Department of Code Administration  
City Hall, Room 4200  
301 King Street  
Alexandria, VA 22314  
703.746.4200

Hours: Monday – Friday 8 a.m. to 5 p.m.  
Visit us on the Web at: [alexandriava.gov/Code](http://alexandriava.gov/Code)



**Solar Energy Equipment, Facilities or Devices  
 Certification for Real or Personal Property  
 Tax Exemption  
 Pursuant to § 58.1-3661 of the Code of Virginia**

Pursuant to § 58.1-3661 of the Code of Virginia, \_\_\_\_\_

Applicant's Name

hereby makes application for certification for tax exemption of solar energy equipment, facilities,

or devices located at: \_\_\_\_\_

Street Address

City

State

Zip

and hereby submits the following information and documents:

Owner's Name: \_\_\_\_\_

Owner's Phone: \_\_\_\_\_

Tax Map ID: \_\_\_\_\_

1. A copy of the plans, specifications, and drawings of the solar energy equipment, facilities, or devices for which certification is requested.
2. A brief narrative description of the function of the solar energy equipment, facilities, or devices.
3. The cost of the installed solar energy equipment, facilities, or devices (materials and labor) *and* documentation of such costs.

Total costs of installed solar energy equipment, facilities, or devices: \$ \_\_\_\_\_

\_\_\_\_\_  
 Applicant's Signature

\_\_\_\_\_  
 Date

This section for City Use Only

This is to certify that the solar energy equipment, facility or device described herein complies with the criteria set forth in 13 VAC 5-200-10 *et.seq.* of the Virginia Administrative Code. The listed equipment has been inspected for compliance with the Uniform Statewide Building Code and has been installed for the purpose for which the equipment is intended.

\_\_\_\_\_  
 Department of Code Administration  
 Authorized Signature

\_\_\_\_\_  
 Date

Once certified by Code Administration as stated above, this application will be forwarded to Real Estate Assessments for review of the cost associated with the installation and equipment, and the calculation of the value of tax credit pursuant to § 58.1-3661 of the Code of Virginia and the Code of the City of Alexandria. Real Estate Assessments will issue a separate letter to the applicant. This letter will explain the calculation of the value of the tax credit and the time period for which the credit will apply. Please contact Real Estate at 703.746.4646 if you have questions about this part of the process.