

4/27/10



New Jersey

Incentives/Policies for Renewables & Efficiency

Property Tax Exemption for Renewable Energy Systems

Last DSIRE Review: 10/27/2009

Program Overview:

State:	New Jersey
Incentive Type:	Property Tax Incentive
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Solar Thermal Process Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Fuel Cells, Geothermal Heat Pumps, Resource Recovery, Tidal Energy, Wave Energy, Geothermal Direct-Use
Applicable Sectors:	Commercial, Industrial, Residential
Amount:	100% of value added by renewable system
Program Administrator:	New Jersey Department of the Treasury
Start Date:	10/01/2008
Authority 1:	N.J. Stat. § 54:4-3.113a et seq.
Date Enacted:	10/01/2008
Date Effective:	10/01/2008

Summary:

In October 2008, New Jersey enacted legislation exempting renewable energy systems used to meet on-site electricity, heating, cooling, or general energy needs from local property taxes. (There is not a state component to property taxes in New Jersey). Eligible renewable energy systems* include solar PV, wind, fuel cells, sustainable biomass, geothermal electric, landfill gas, hydroelectric, resource recovery, wave, and tidal systems that produce electricity. Systems that produce energy from solar thermal energy (e.g., solar hot water) or geothermal energy (e.g., geothermal heat pumps) are also eligible for the exemption. The exemption may be claimed for all qualified systems installed on residential, commercial, industrial, or mixed use buildings as accessory uses.

In order to claim the exemption, property owners must apply for a certificate from their local assessor which will reduce the assessed value of their property to what it would be without the renewable energy system. Exemptions will take effect for the year after a certification is granted. The New Jersey Department of Treasury, Division of Taxation is required to develop the rules and regulations necessary to implement this law. Rules relating to the technical qualifications that an eligible renewable energy system must meet will be developed by the New Jersey Board of Public Utilities (BPU) and the Commissioner of Community Affairs.

Click [here](#) to access the certification application for renewable energy systems. Contact the New Jersey Department of Treasury for additional information about how the law will be implemented.

** Biomass, hydroelectric, and resource recovery facilities must meet environmental standards as defined by the New Jersey Department of Environmental Protection and minimize environmental and community impacts.*