

Governor proposes tax measures for wind farms

by Lawrence Messina, Associated Press Writer

Gov. Joe Manchin has proposed a mix of tax increases and credits for West Virginia's emerging wind power industry.

Legislation (HB2818/SB441) from Manchin introduced Friday [Feb 2nd] would increase the amount of taxable electricity generated by wind turbines from 5 percent to 12 percent of capacity as of January 1.

Each percentage applies to the state's business and occupation tax, which assesses electricity at \$22.78 per kilowatt. "This would enlarge the taxable base," said Mark Morton, general counsel for revenue operations at the Department of Revenue.

The proposal also would give wind farms a credit toward that tax, equal to money or land they agree to donate to local and county governments or county schools. The credits could be spread over up to 10 years. But the bill would only count agreements reached before this year as eligible for credits. "We've been working with the industry on this," Revenue Secretary Rob Alsop said Friday. "Anything going forward, they know that those types of agreement could not be used to offset state taxes."

Manchin's legislation would also change the way wind farms are assessed property taxes. Wind turbines are classified as equipment that reduce pollution. The bill would limit the amount of a turbine's value classified under that rate to 79 percent as of July 1.

Frank Maisano, a spokesman for a regional coalition of wind developers, said he had not seen the legislation. Maisano said the industry seeks to balance taxes with economic development. "We want to be careful to give the community and developers the flexibility that best meets their needs,"

West Virginia has one wind farm, a 44-tower Wind Energy Center in Tucker County. But several more have been proposed in the state, including one in nearby Grant County where developers want to plant 200 turbines. Though the state Public Service Commission has approved that project, a legal challenge is pending with the Supreme Court.

The value of wind turbine facilities has been questioned not only by residents, but also by Rep. Alan Mollohan, D-WV, whose district includes Grant and Tucker counties. His office expects the National Research Council to release a study assessing wind power in West Virginia this month.

Alsop said Manchin crafted the bill in response to concerns raised by Mollohan and others. "This definitely goes toward wind power folks paying their fair share," he said.