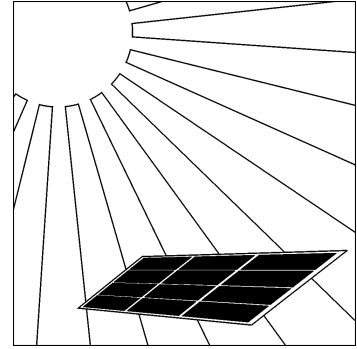

SOLAR ENERGY EQUIPMENT TAX EXEMPTION

Fairfax County, Virginia



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 in Fairfax County 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. Please inquire at time of application on your specific equipment.
- There is no additional cost to apply for participation in the tax exemption program.

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.
- 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 calculation 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 Application Center, 2nd floor of the Herrity Building (12055 Government Center Parkway).
- Once the equipment is installed and all required inspections are approved for conformance with the USBC, Land Development Services will forward the submission to the Department of Tax Administration (DTA).
- DTA will review the application and calculate the value of the tax exemption.
- Upon approval of the tax exemption, DTA will issue a separate letter to the property owner to confirm the acceptance of the application for tax exemption, the calculation 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). DPWES has completed their inspections and has forwarded the application to DTA.

The \$12,000, in this example, is considered the value of the exemption.

(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. Please inquire at time of application.)

Based on the FY 2011 tax rate of \$1.09 per hundred of assessed value, the \$12,000 exemption value would equal a tax savings of \$130.80 for the tax year. This is calculated as follows: \$12,000 divided by 100 multiplied by \$1.09 = \$130.80. 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.

The \$12,000 exemption value will be converted to a tax credit and deducted from the property's tax bill every year for 5 years.

Contact Us

For questions about the application, what equipment qualifies, the permit process, or inspections, please contact the Permit Application Center at 703-222-0801, TTY 711. For questions about the tax exemption calculation, please contact DTA at 703-222-8234, TTY 711.

Fairfax County is committed to a policy of nondiscrimination in all county programs, services and activities and will provide this document in alternative formats and in different languages upon request. Please call **703-324-5033**, **TTY 711**, or write Department of Public Works and Environmental Services, Suite 659, 12055 Government Center Parkway, Fairfax, VA 22035-5506. Please allow at least seven working days for preparation of material.



Land Development Services

Department of Public Works and Environmental Services
Herrity Building, 12055 Government Center Parkway
Fairfax, VA 22035-5504
703-222-0801, TTY 711

Hours: Monday - Thursday: 8 a.m. to 4 p.m.; and Friday: 9:15 a.m. to 4 p.m.
Visit us on the Web at: www.fairfaxcounty.gov/dpwes



**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 County 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 Public Works and Environmental Services
Authorized Signature

Date

Once certified by DPWES as stated above, this application will be forwarded to the Department of Tax Administration (DTA) 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 Fairfax County Code. DTA 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 tax credit will apply. Please contact DTA at 703-222-8234, TTY 711, if you have questions about this part of the process.

Last Modified 06/2010