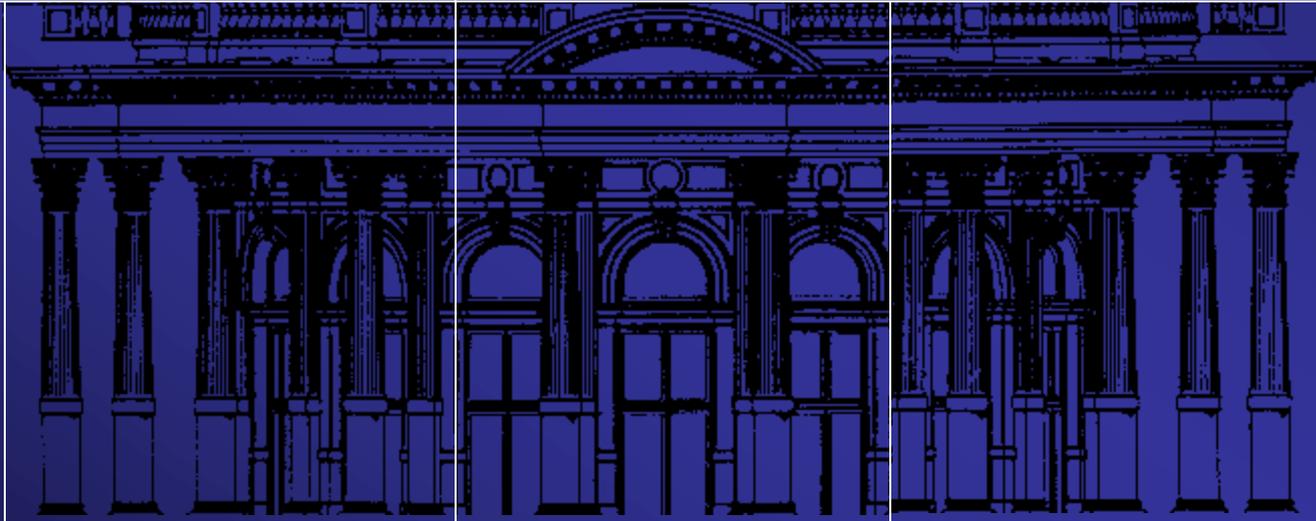




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Tax Policies and Incentives and Energy Development



**Jim Reed, Group Director for Environment, Energy and
Transportation, NCSL**

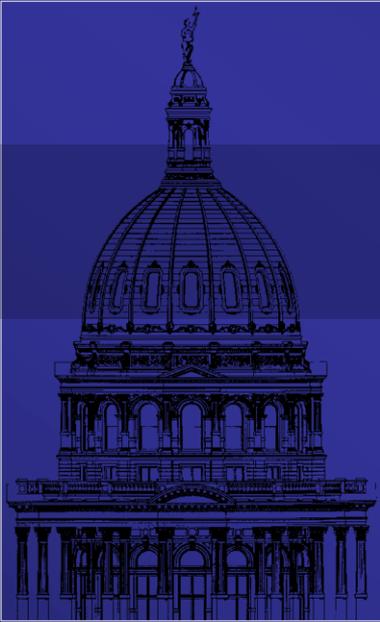
Jacquelyn Pless, Policy Associate, NCSL Energy Program

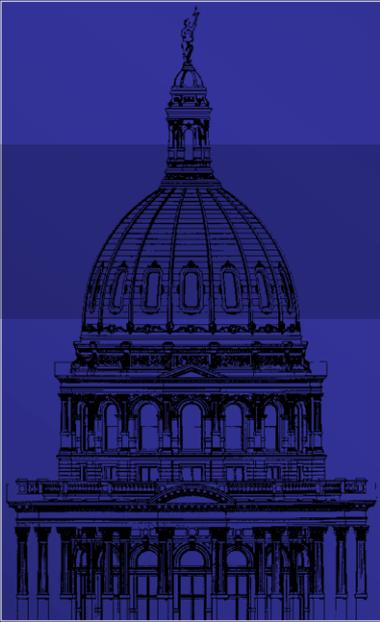
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NCSL Overview

- Bipartisan organization
- Serves the 7,382 legislators and 30,000+ legislative staff of the nation's 50 states, its commonwealths and territories
- Covers all topics
- Activities:
 - ▶ Research and information on topics of interest to the states
 - ▶ Technical assistance and training
 - ▶ Opportunities for policymakers to exchange ideas
 - ▶ Lobbying at the federal level for states' interests



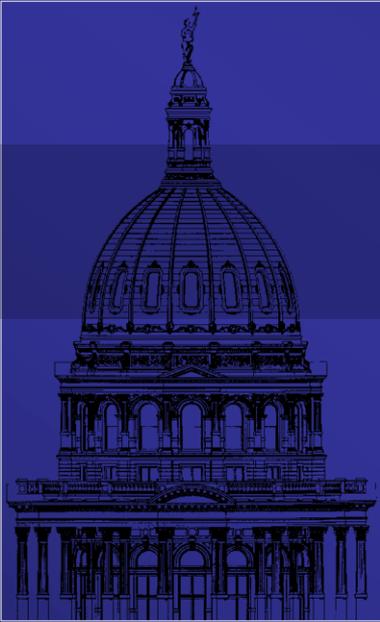


Overview

- Business climate determinants
- Taxes that can impact energy development
- Regulations impacting energy
- Renewable energy incentives
- Doing business in Indian Country

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Business Climate Determinants

- Taxes
- Regulations
- Incentives
- Workforce Quality
- Infrastructure Development



Taxes that Impact Business Development Attractiveness

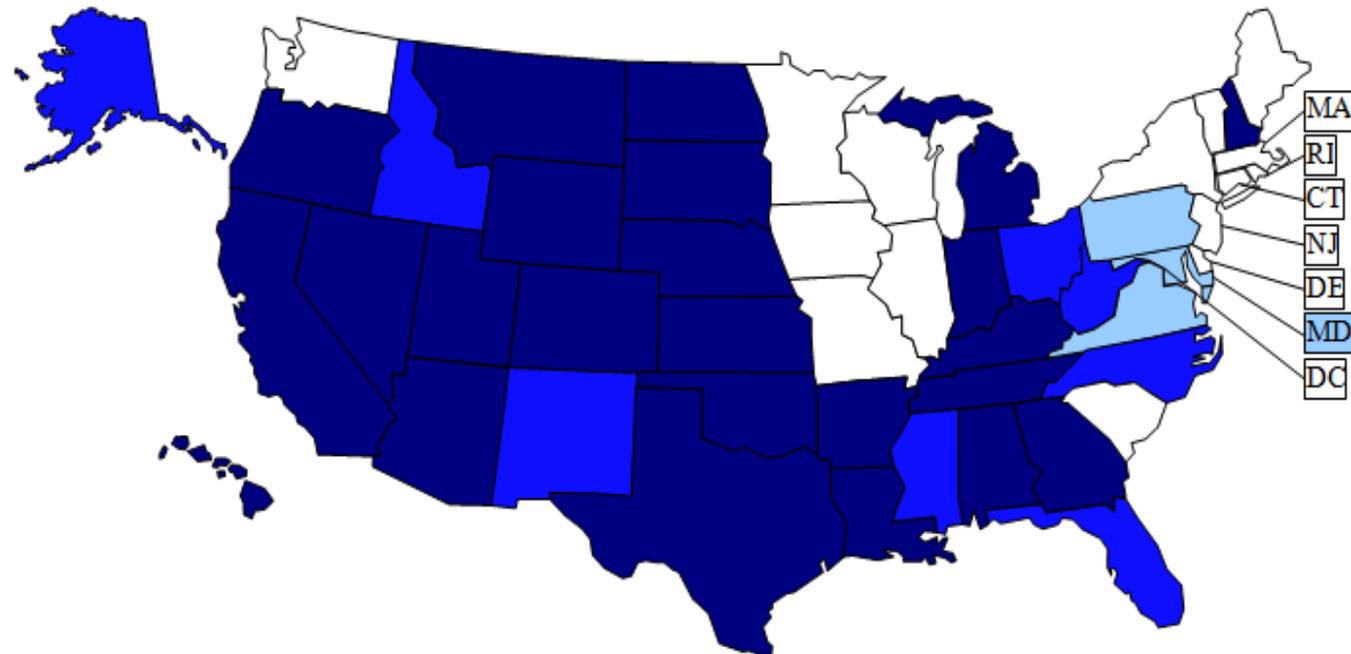
- ***Income Taxes*** (corporate and personal)
- ***Property Taxes***
- ***Sales and Use Tax***
- ***Gasoline and Diesel Taxes***
- ***Others*** with titles that vary: gross receipts taxes, possessory interest taxes, and taxes that specifically target energy development

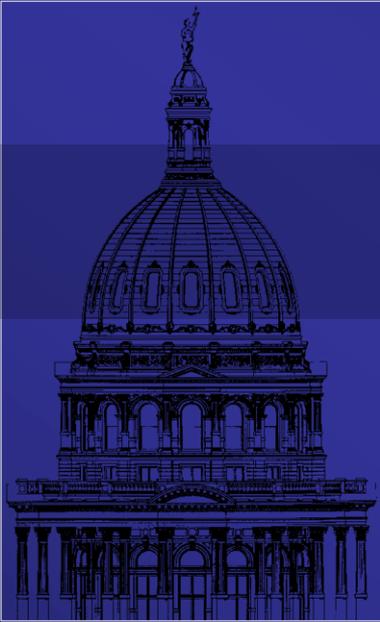
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Oil and Gas Excise Taxes

Oil and Gas Severance Taxes





Incentives

Tax credits and exemptions, and financing options, provide incentives to pursue renewable energy development.

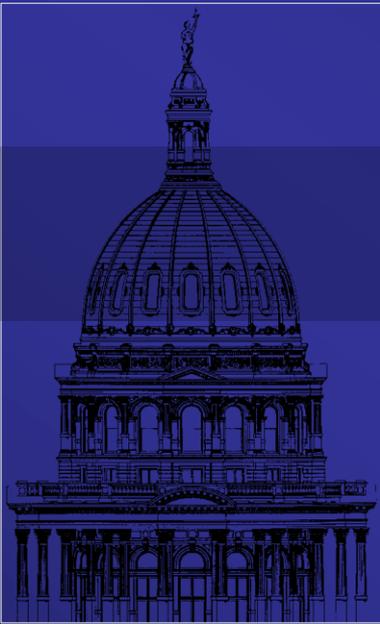
- State tax exemptions and credits
- Financing programs
- Federal incentives:
 - Renewable Electricity Production Tax Credit (PTC)
 - Business Energy Investment Tax Credit
 - Modified Accelerated Cost-Recovery System (MACRS) + Bonus Depreciation

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Federal Financing Programs for Tribes

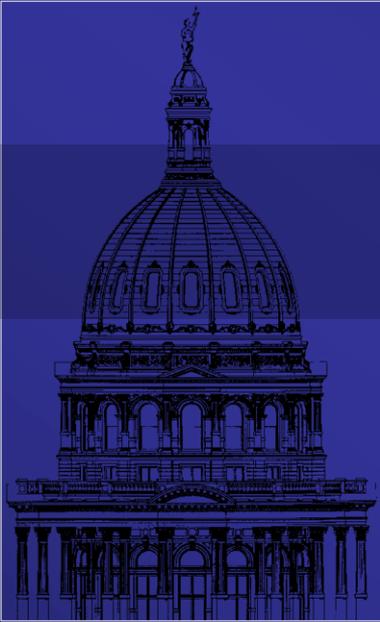
- Tribal Energy Program Grants
- USDA Rural Energy for America Program (REAP) Grants
- USDA High Energy Cost Grant Program
- Qualified Energy Conservation Bonds (QECBs)
- Clean Renewable Energy Bonds (CREBs)
- Federal Interconnection Standards for Small Generators

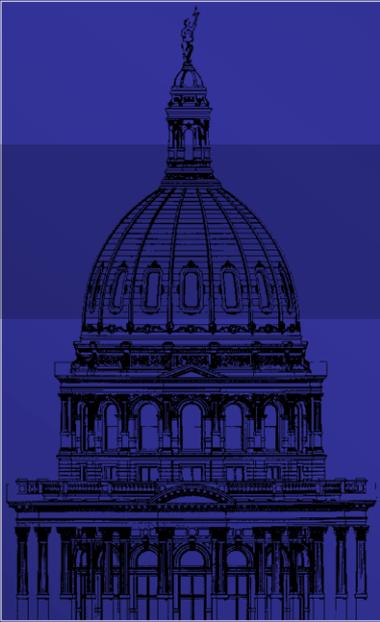


Regulations

Statewide policies and requirements help streamline processes and improve the ease of doing business.

- Net metering
- Interconnection standards
- Required Green Power
- Renewable Portfolio Standards





Business in Indian Country

States can authorize state-tribal agreements or create tax exemptions for doing business in Indian Country.

- **Ten states authorize state-tribal agreements**
 - Minnesota, Mississippi, Montana, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington and Wisconsin
- **Three states exempt cigarette sales taxes on reservations (all parties)**
 - Florida, Nevada and New Mexico

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Contact Details and Resources

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Key Resources (see handouts):

- NCSL State Fact Sheets—on thumb drives and some hard copies available
- NCSL Oil and Gas Severance Tax publication—on thumb drives and included in materials booklets
- Database of State Incentives for Renewables & Efficiency: www.dsireusa.org



NCSL is always seeking **public and private funding partners** for collaborative research and outreach initiatives that serve the needs of state legislatures.

We also offer **no-cost technical assistance to state legislative entities** upon invitation.

Please contact us if you're interested.