



*The
Energy Council*

Energy Tax Incentives

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Common Taxes Imposed on Energy Production

Severance Tax



LA tax imposed by a state on the extraction of non-renewables that is usually, but not always, for the consumption of other states.

Ad Valorem Tax



A tax bases on the assessed value of an item, such as real estate or personal property.

Impact Fee



A fee that state or local governments impose to recover costs associated with development.

Privilege/Franchise Tax



A tax that certain producers have to pay to concut business and operate in a state.



Types of Incentives



Abatement

A reduction or an exemption on the level of taxes.



Tax deduction

A deduction lowers the amount on an individual or entity's taxable income.



Tax credit

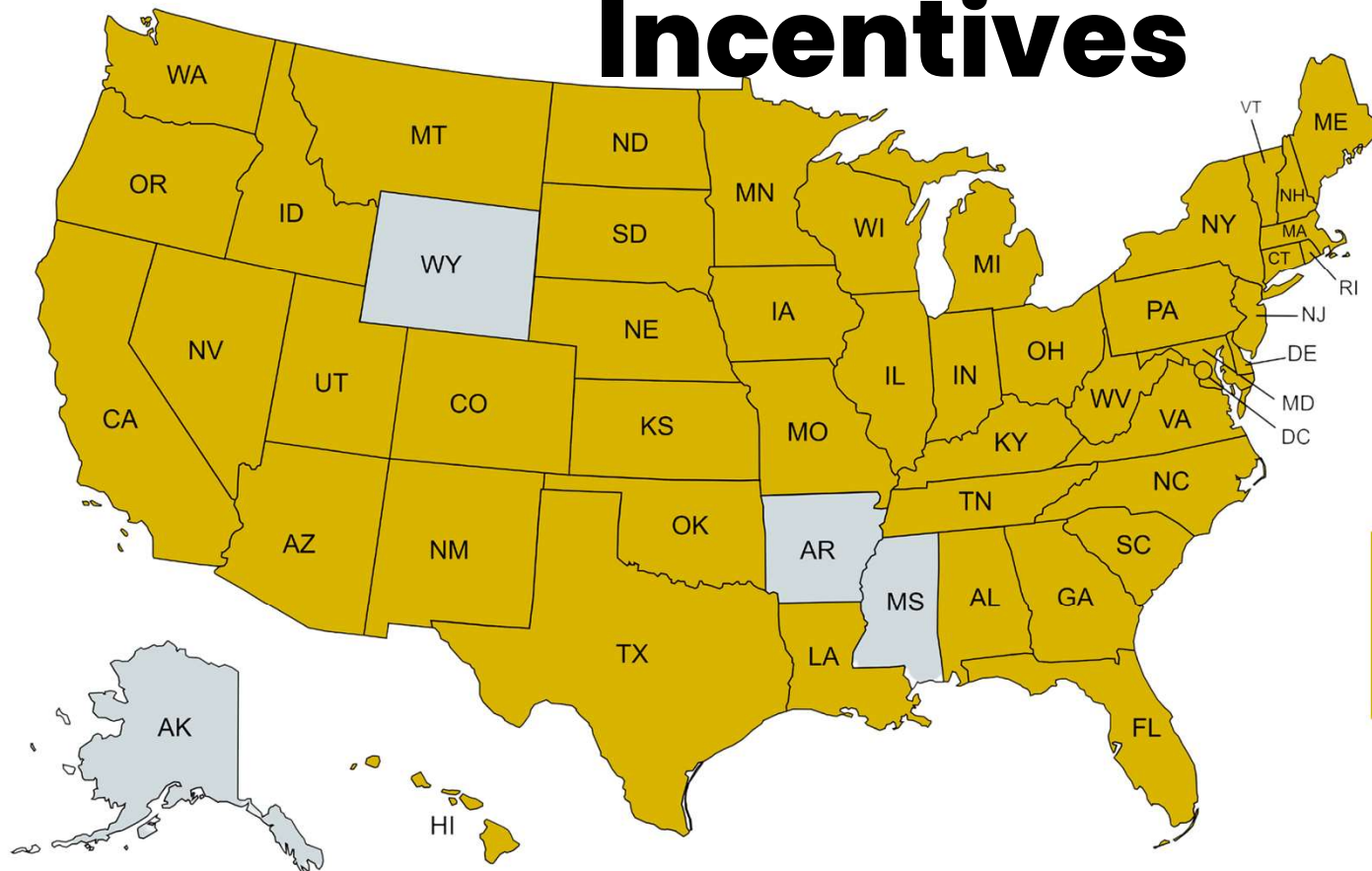
A credit is an amount that a taxpayer can subtract directly from the taxes they owe.



Rebate

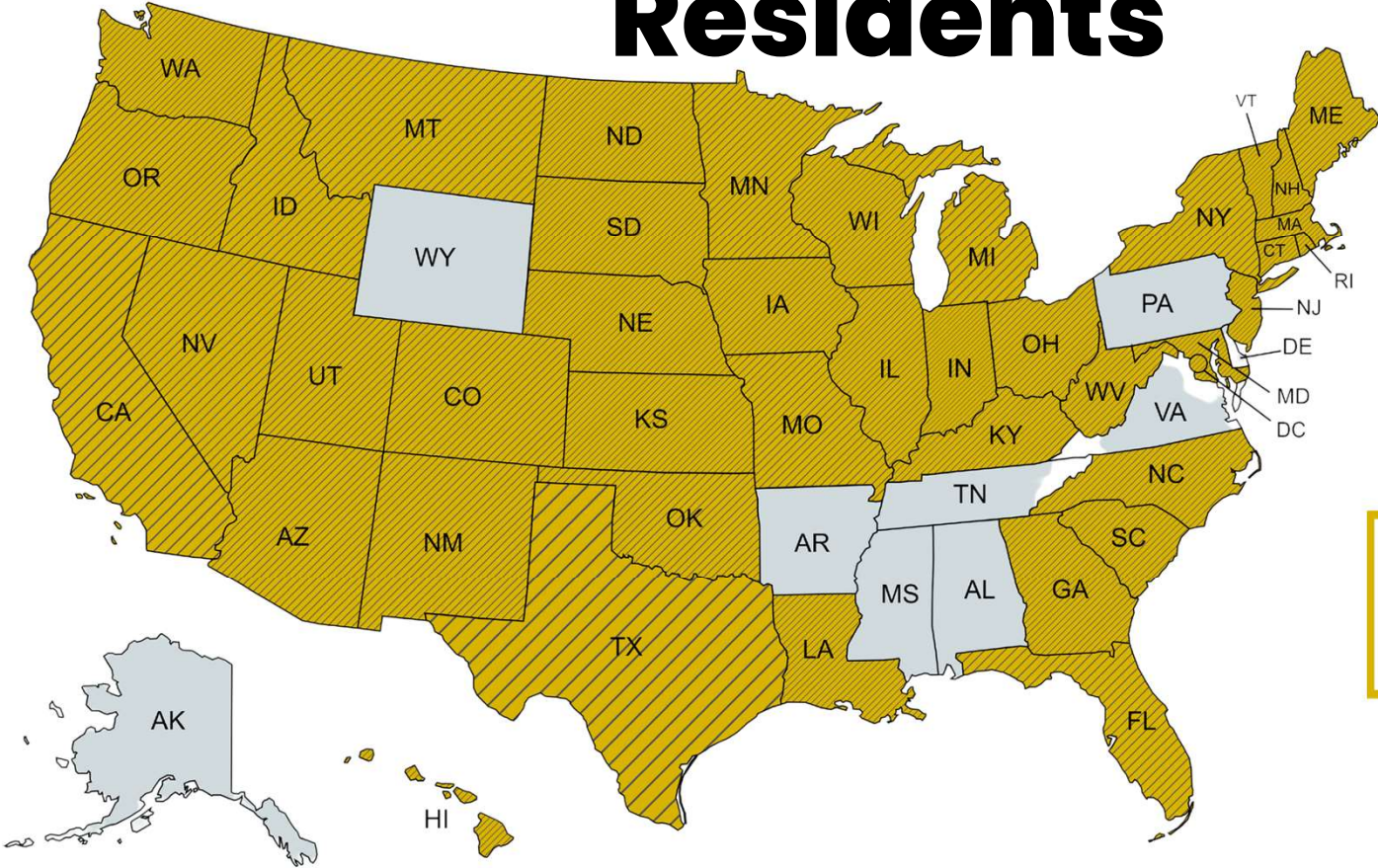
A rebate is a sum of money that is credited or returned to a customer on completion of a transaction or activity.

Solar Tax Incentives



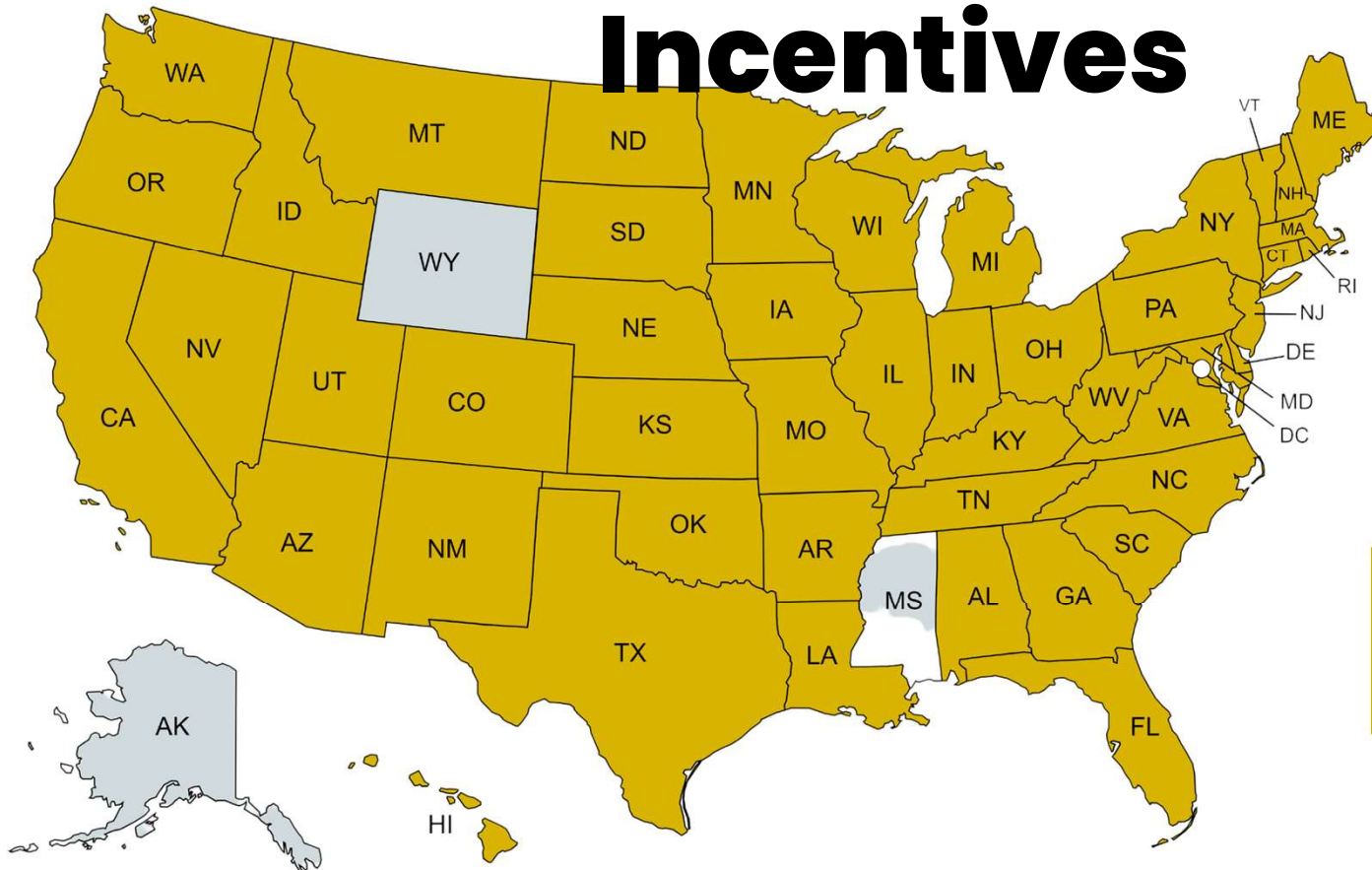
States that provide solar tax

Solar Tax Incentives for Residents



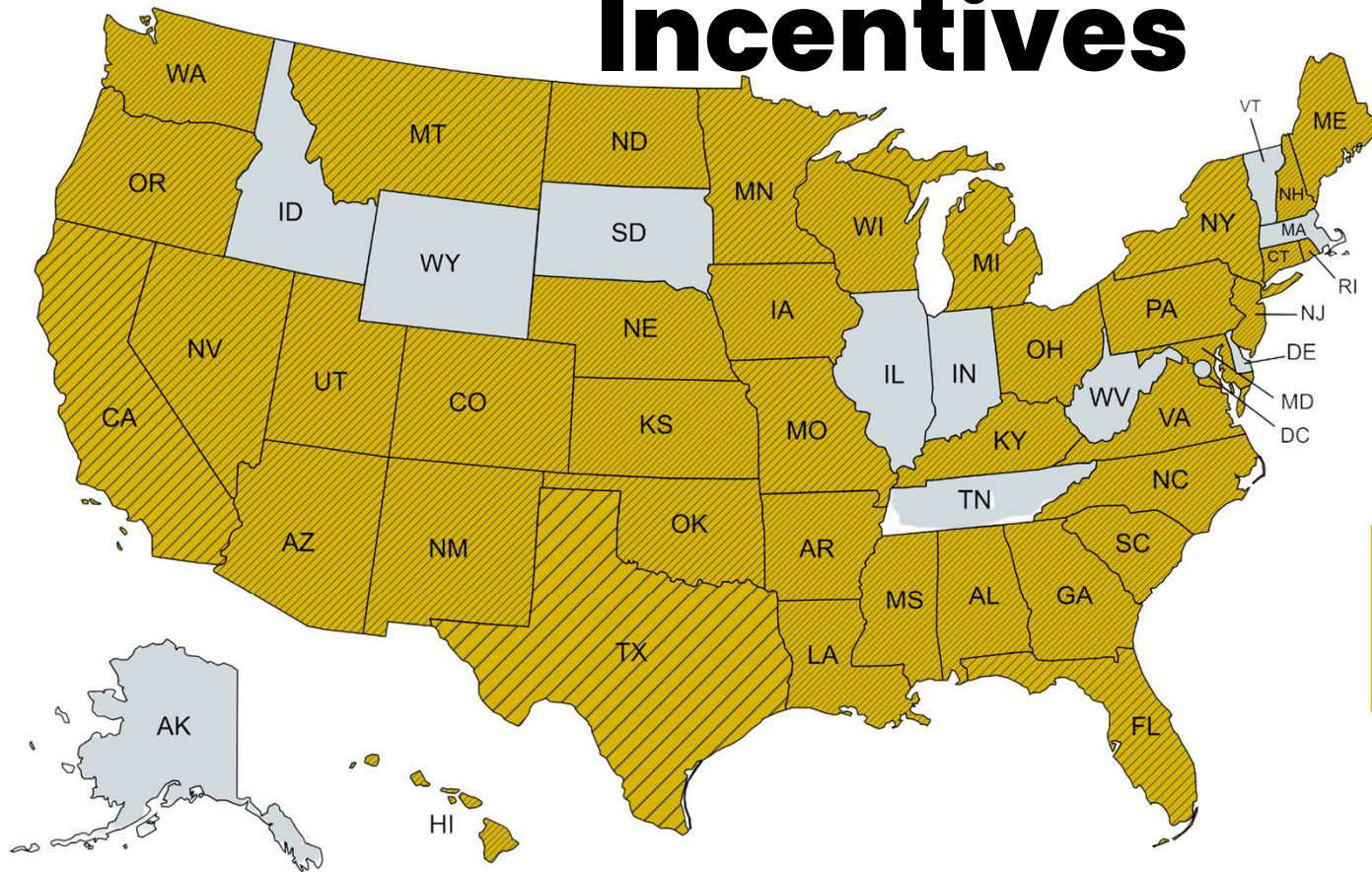
States that provide solar tax incentives for residents

Wind Tax Incentives



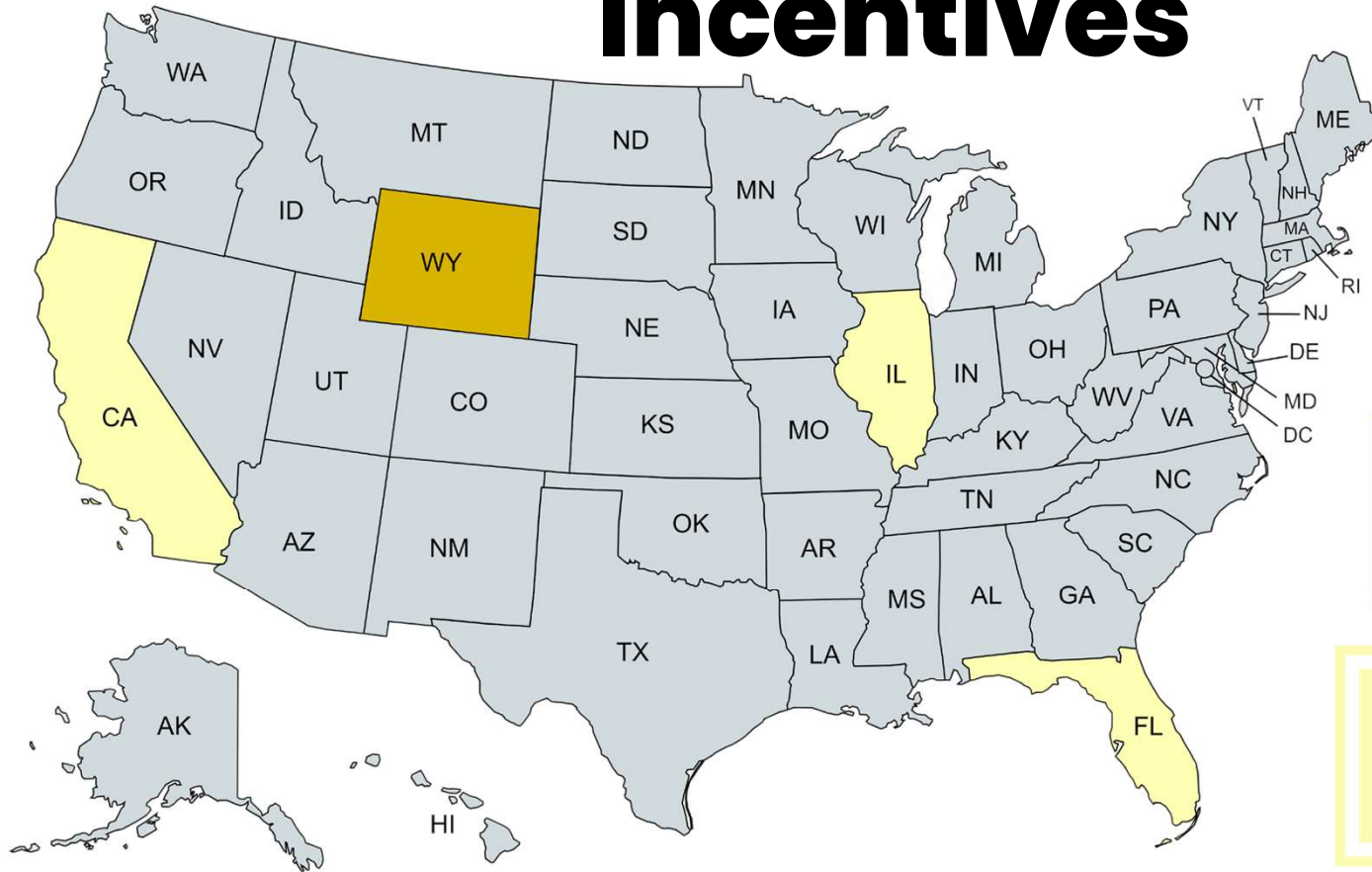
States that provide
wind tax

Biomass Tax Incentives



States that provide biomass tax incentives.

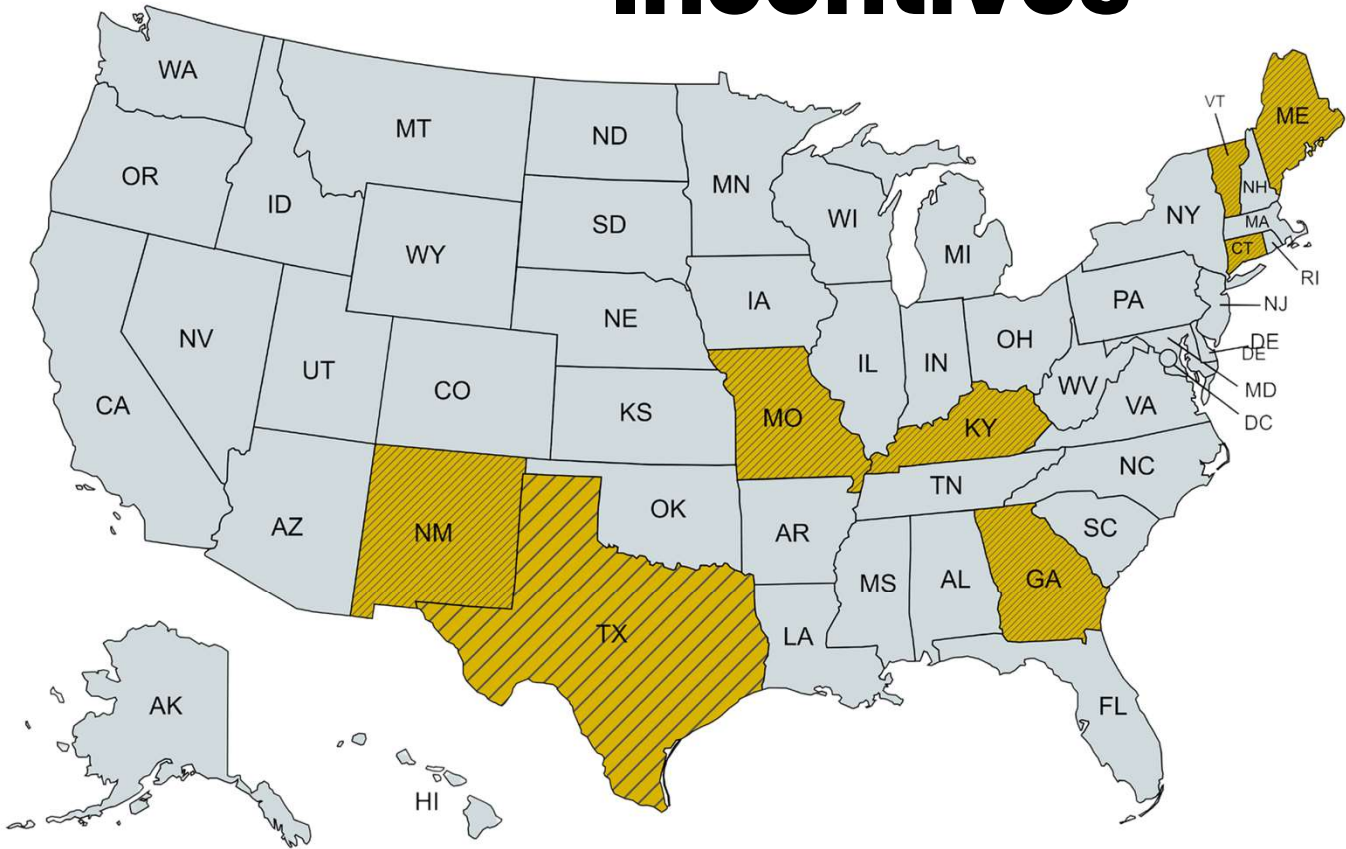
Nuclear Tax Incentives



States that provide nuclear tax incentives.

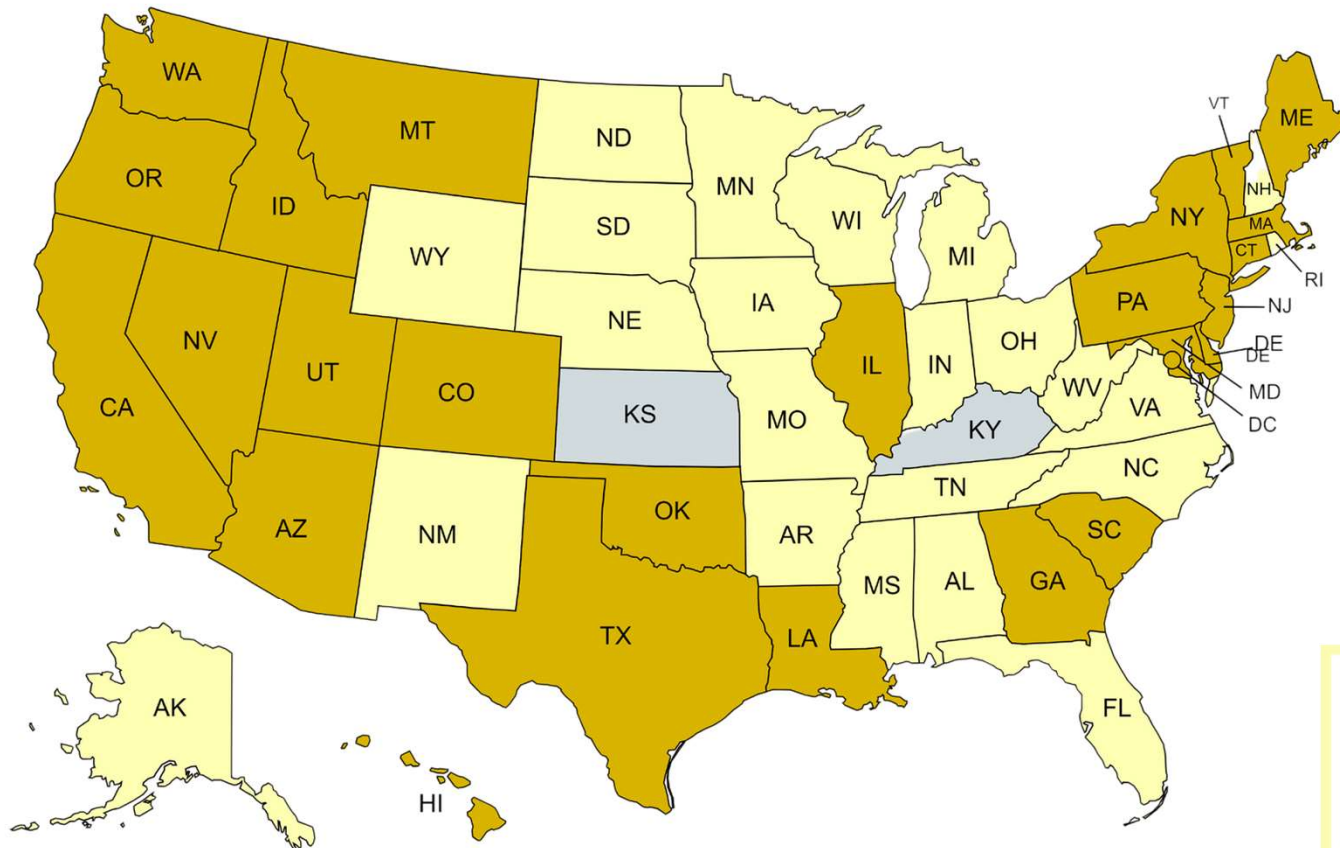
States that provide tax incentives for decommissioning nuclear plants

Resident Energy Efficiency Tax Incentives



States incentivizing residents to be

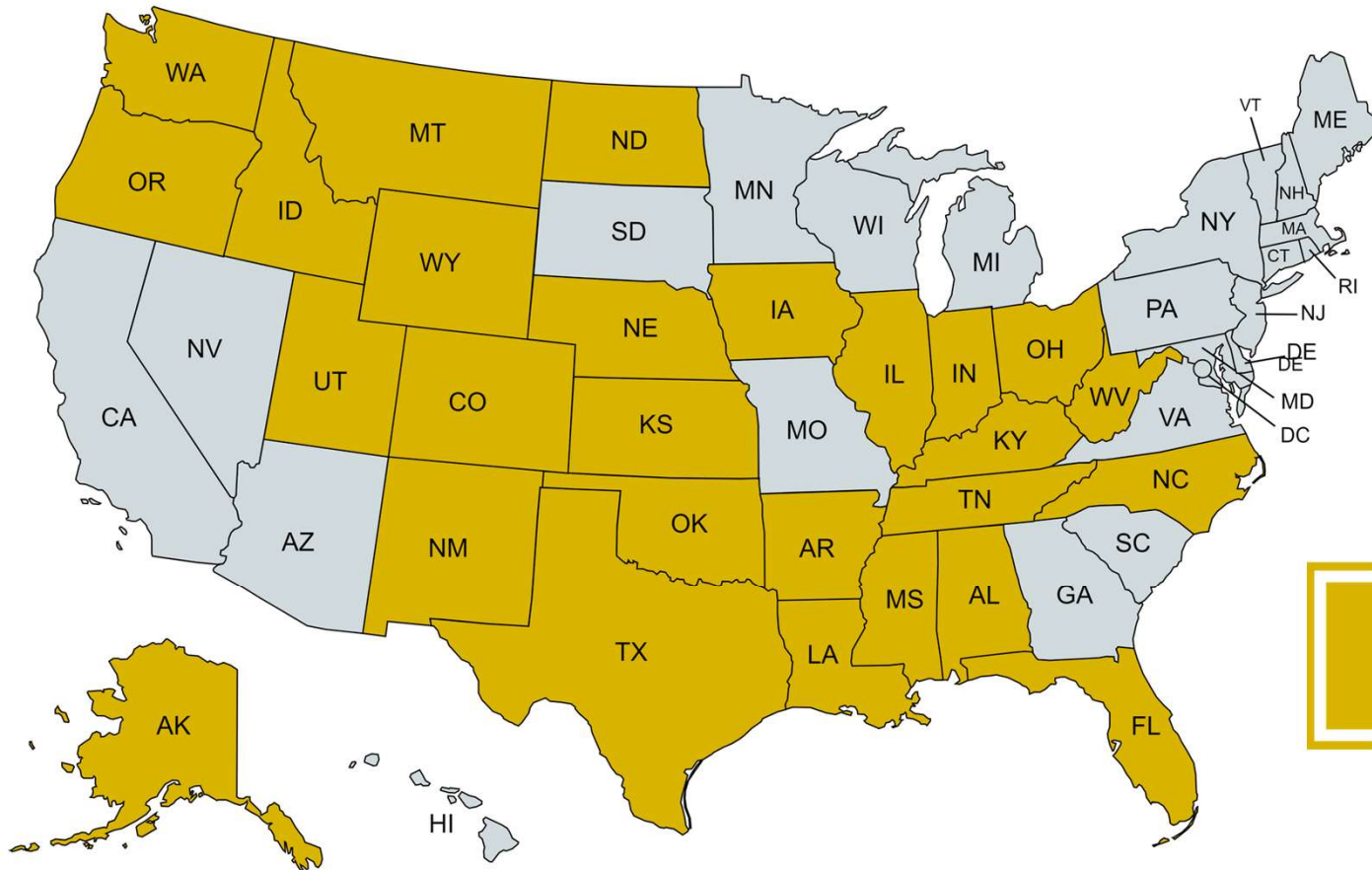
Electric Vehicle Tax Incentives



States offering tax incentives for electric

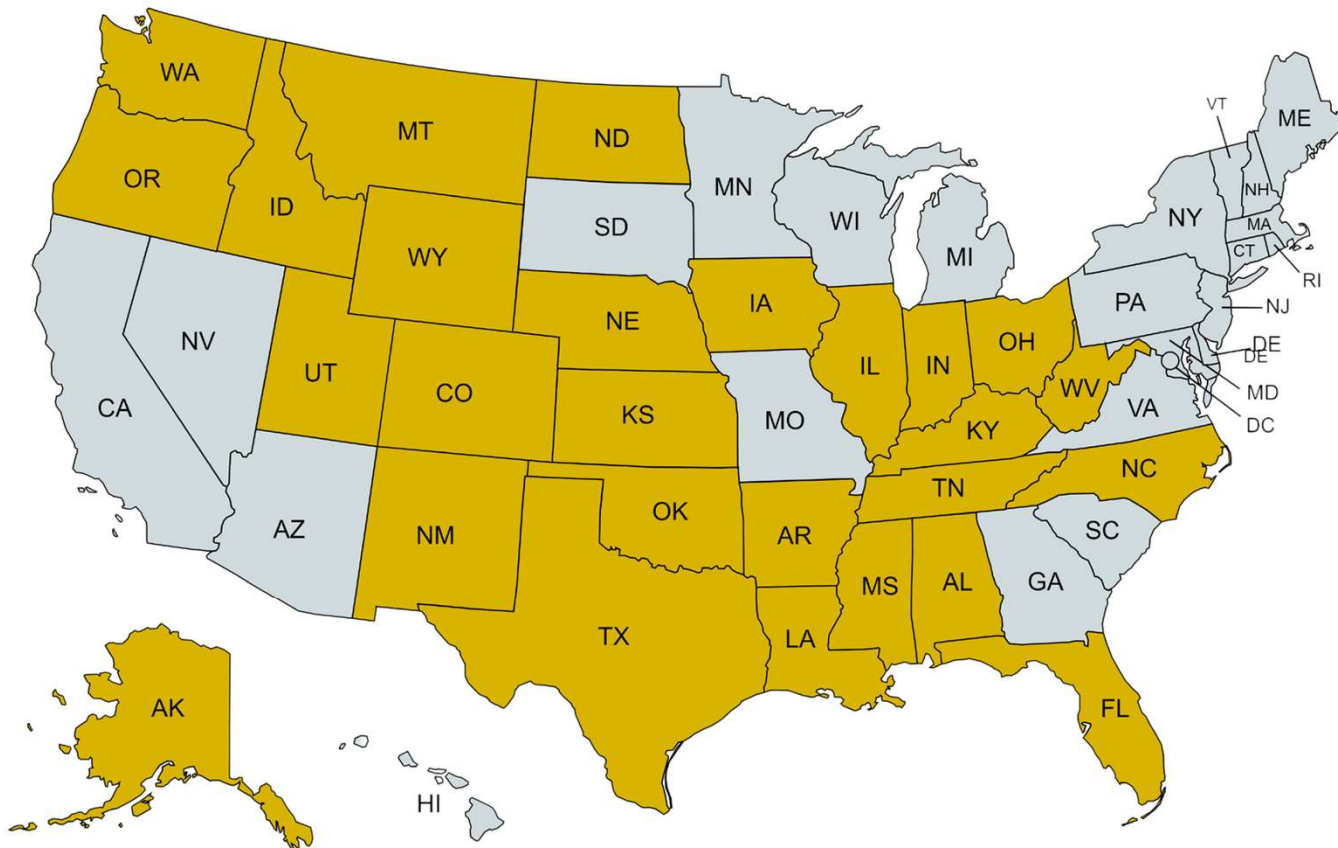
States that have other incentives at the local level for electric vehicles.

Oil Tax Incentives



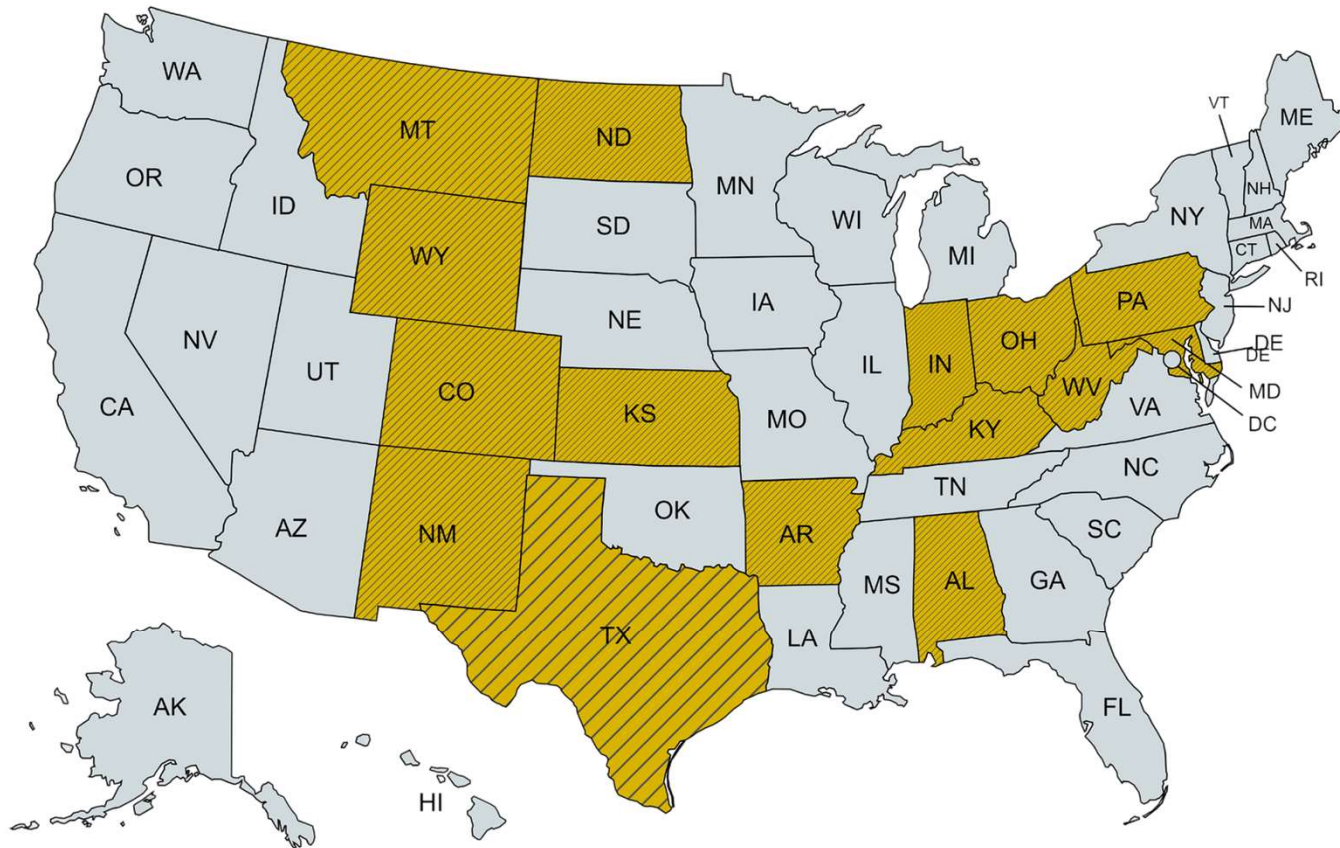
States offering tax incentives for oil production.

Gas Tax Incentives



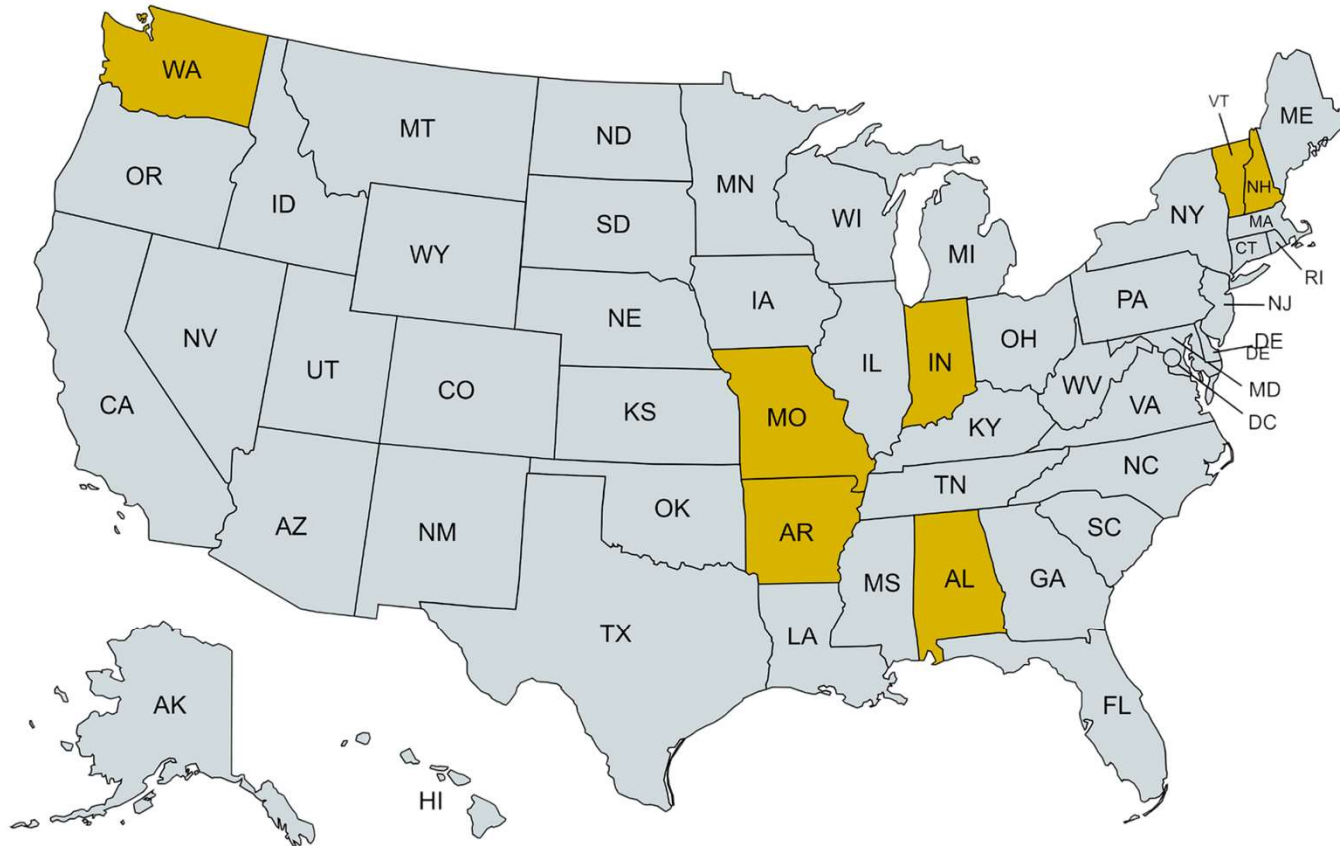
States offering tax incentives for gas production.

Coal Tax Incentives



States offering tax incentives for coal production.

Other Tax Incentives



States offering tax incentives for sources



Policy Recommendations



Energy resources are not treated equally. As a result, the tax incentives for energy resources are also not equal.

“When the government inserts itself into the energy markets, taxpayers foot the bill.”*



I encourage legislators to weigh both the pros and cons of all energy sources when considering legislation, especially legislation concerning different energy tax incentives.

*American Legislative Exchange Council, *Energy Affordability Report*, Vol. II (2022).



Questions or Comments?



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Thank You
for your time.

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