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TO: Members of the Senate Local Government & Taxation Committee

FR: Wyatt Prescott, President
Food Producers of Idaho

H534

Food Producers of Idaho, representing over 40 commodity and farm organizations in Idaho and the Northwest, **supports** H534 dealing with exemption of certain solar energy property from Idaho property tax. The members of Food Producers have voted to support and track this legislation in the Idaho Senate.

H534 allows the producers of solar energy to join the producers of wind energy and geothermal energy in having a flat percentage of their gross earnings paid in lieu of property tax. Wind and geothermal pay 3% of their gross earnings, this legislation would require solar to pay 3.5% of their gross earnings in lieu of property tax.

The legislation would require any revenues earned by a county to be added to their overall revenues thus reducing the property tax to be levied to finance an annual budget. However, these revenues shall not be included in the amount of property tax revenues to finance an annual budget for purposes of limitations on increases in the annual budget.

In addition, the revenues provide a relatively level stream of revenues for the county that are predictable and can be budgeted. The solar company is not hit hard up front with a large tax bill in conjunction with recently completed construction costs. The Idaho Tax Commission has made several minor changes in this bill to clarify provisions of Idaho Code relating to taxation.

Food Producer members believe in advancing energy alternatives in Idaho. We believe H534 helps accomplish that goal. We ask for your "yes" vote on H534 to send it to the Senate with a "**do pass**" recommendation. H534 passed the Idaho House by a vote of 69-1-0 on March 2.

Membership is listed on the back of this letter