STATE OF TENNESSEE
Certified Green Energy Production Facility Exemption

April 2021
Tenn. Code Ann. § 67-6-346

Allows a taxpayer to apply for authority to make tax-exempt purchases, or to apply for a refund or credit of taxes paid on purchases of machinery and equipment used to produce electricity in a certified green energy production facility
WHAT IS EXEMPT?

✓ Machinery and equipment used to produce electricity in a facility certified by the Tennessee Department of Environment and Conservation (TDEC) as producing electricity for use and consumption off the premises using clean energy technology.

Facility owner must have an agreement with the local utility (aka “generation partners agreement”) stating the electricity produced will be transferred to the electric grid for consumption by others.
DEFINITION: Clean Energy Technology

“Technology used to generate electricity from renewable energy sources such as, geothermal, hydrogen, solar, and wind sources.”
WHAT IS NOT EXEMPT?

The exemption is not available for machinery and equipment used to produce electricity for the owner’s own use.
APPLICATION: 2 Step Process

1. Complete and submit to TDEC the Application for Certification of Green Energy Production Facility/Production of Electricity (www.tn.gov/environment/)

   • TDEC will review the application to determine if the facility meets the criteria

   • Approved applications certifying the facility qualifies are sent to the applicant and to the Tennessee Department of Revenue (TDOR)

2. Complete and submit to TDOR the Supplement Application for the Green Energy Production Facility sales and use tax exemption.
TDOR APPLICATION: Contractor Information

When hiring a contractor to construct or install the green energy production facility include the contractor’s information and copy of contract.

- The exemption certificate will be issued to the contractor to make tax-exempt purchases.
- The certificate is valid only for the applicant’s certified green energy production facility.

TDOR Application must include:
- contractor’s business information
- copy of the contract
APPLICATION: Where to Find

https://www.tn.gov/content/dam/tn/revenue/documents/forms/sales/f1325201.pdf

www.tn.gov/revenue

Tax Resources

Forms

Tax-specific Forms

Sales and Use Tax

Supplement Application for the Green Energy Production Facility
Issued by mail and on TNTAP upon application approval.

Certified Green Energy Production Facility
Sales and Use Tax Certificate of Exemption

The above named taxpayer is granted authority in accordance with Tenn. Code Ann. § 67-6-346 to make tax-exempt purchases of machinery and equipment used to produce electricity in the certified green energy production facility. The Tennessee Department of Environment and Conservation has certified the green energy production facility to produce electricity that will be transferred to the facility for consumption by others.

This exemption certificate may not be used to make untaxed purchases for use at other locations. The seller is responsible for unpaid tax on purchases that do not qualify for the certified green energy production facility exemption. This authorization for exemption is not valid for purchases made after the expiration date.

[Signature]

Print Name of Authorized Representative  Signature of Authorized Representative  Date
IMPORTANT TO NOTE: Refund or Credit

If the sales and use taxes have already been paid by a contractor, the following must be submitted in order to receive a refund or credit:

- TDEC Approved application
- TDOR Application with contractor information
- Completed TDOR *Claim For Refund* form
- Copies of purchase invoices showing tax paid