NOTE: This copy of the webinar presentation has been updated to reflect changes to the law as a result of Public Chapter 1139 (effective date: 7/1/22).

Pages 2, 3, 5 and 9 have been updated to include this expanded definition.
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.

**UPDATE:** Effective 7/1/22, the Certified Green Energy Production Facility tax credit was amended to expand the credit to apply to all projects installing clean energy technology that produce electricity for use ON and OFF the premises as well as for storage paired with clean energy technology. Previously, the tax credit was available only to clean energy technology producing electricity for use off premises.
WHAT IS EXEMPT?

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

* updated per Public Chapter 1139, effective 7/1/22

UPDATE: Facility owner no longer has obligation to have an interconnection agreement with the power company to qualify for exemption, however, if such agreement exists it should be submitted with application. In absence of such agreement, a contractors installation agreement detailing the scope of work should be submitted with application.

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.”
The exemption is not available for machinery and equipment used to produce electricity for the owner’s own use.

**UPDATE:** Prior to 7/1/22, the exemption was available only for machinery and equipment used to produce electricity for use off premises. Effective 7/1/2022 the exemption is available for machinery and equipment used to produce or store electricity in a certified green energy production facility.
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
CERTIFICATES

UPDATE: Certificate wording has been updated to reflect law change effective 7/1/22 expanding definition of exemption to include storage of electricity.

Issued by mail and on TNTAP upon application approval
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