

UPDATED: Bill would tax renewables to gain property tax relief

By **Brad Cooper** - March 16, 2026



(UPDATED to correct that the Kansas Legislative Policy Group was neutral)

Renewable energy interests are fighting back against a proposal that would impose new taxes on wind and solar facilities as part of a new alternative to lowering property taxes.

A bill introduced in the Senate would impose two new taxes, one based on production and another called a “nameplate capacity tax,” which is the amount of energy generated by the wind farm or solar facility when operating at maximum capacity and measured in either kilowatts or megawatts.

Supporters say the bill is about ensuring tax parity for all energy sources. Opponents say that while the bill might lower property taxes, it would lead to higher electric rates for Kansas consumers.

The [bill](#) could be worked in the Senate tax committee Tuesday, although a couple members have signaled an interest in not trying to pass something with the Legislature’s regular session set to end March 27.

The bill comes at a time when the Legislature [has been wrestling](#) with how to lower property taxes with no apparent solution in sight and the regular session set to end in less than two weeks.

The plan, introduced by state Sen. Caryn Tyson, of Parker, would use the proceeds of the tax to reduce the state's 20-mill tax on schools by a half mill in years 2027-28 and 2028-29.



Estimates indicate that a half-mill reduction would save property taxpayers about \$51.5 million over both years.

State estimates indicate that the proposed "nameplate capacity tax" would bring in about \$76.3 million for those two years, and the production tax would generate about \$66.8 million for a total of about \$143.1 million over the two-year period.

The industry said estimates based on more recent data show the cost ranging from \$160 million to \$200 million over two years.

Renewable energy sources, such as wind and energy, that started in 1999 were exempted from property taxes.

Th facilities that started from 2001 to 2016 have the potential to come onto the tax rolls once their power agreements expire, but there's no guarantee that will happen.

The Legislature changed the law in 2015 and gave new wind or solar projects a 10-year property tax exemption starting in 2017.



Caryn Tyson

"We have wind turbine projects that came on line that will never pay property taxes," said Tyson, chair of the Senate tax committee.

"We're trying to create a fair and level playing field between all energy sources," she said.

"This would help move us in that direction."

The bill has support from the Kansas Farm Bureau and the Kansas Livestock Association.

The opponents included Evergy, the Kansas Chamber of Commerce and the Kansas Electric Cooperatives.

A group of 33 rural western counties called the Kansas Legislative Policy Group was neutral.

The proposed taxes would be different for wind and solar in Kansas and more comparable to how Nebraska, South Dakota and Wyoming tax renewable energy.



For instance, the nameplate capacity tax in Nebraska is [\\$3,518 per megawatt capacity](#), with the money distributed to counties where a facility is located and then to local units within that county.

In [South Dakota](#), the tax after March 31, 2015 was \$3 multiplied by the number of kilowatts a renewable facility can produce.

The production tax in South Dakota after March 31, 2015 was \$0.00045 per kilowatt hour of electricity produced by the wind farm.

The proposed nameplate capacity tax in Kansas would only apply to solar and wind farms that have the capacity of producing 5,000 kilowatts of energy.

They would pay an amount equal to \$4 per kilowatt multiplied by the nameplate capacity of the facility.

The production tax would be an amount equal to 0.001 cents per kilowatt hour of electricity produced by a wind or solar farm.

The Advanced Power Alliance, which advocates for advanced energy sources such as wind, solar, nuclear and natural gas, opposed the legislation.



Kimberly Svaty

"Taxes are not levied on any other form of electric generation in the state of Kansas," said Kimberly Svaty, public policy director for the Advanced Power Alliance.

"That's been the policy of the state of Kansas for a number of years. This would create an exception and single out wind and solar," Svaty said.

"If we were talking about just taxing wind and solar going forward so we could build those costs into our power purchase agreements, then that's one conversation," she said.

"That's not the conversation we're having here today. We are looking at a retroactive tax on 50 existing wind farms in the state of Kansas that have signed 20-year power purchase agreements," she said.

Svaty said that since the first wind farm started in Kansas in 2001, the renewable sector has negotiated donation agreements with counties that host energy-production facilities.



She said the annual payments go straight to the county, which uses the funds to either lower property taxes or invest in projects ranging from water infrastructure to local schools or a community hospital.

She said the renewable energy industry has invested more than \$20 billion in Kansas since 2001 and creating more than 20,000 direct and indirect jobs.

"This would be the single largest rate case in the state of Kansas' history," she said of the increase that would be caused by the proposed tax.

"We are talking about very expensive retroactive...new taxes that are out of line with the three existing states that already have taxes on wind and solar," she said.

"Almost all of you have municipally owned electric utilities in your state, all of whom would receive immediate cost increases due to the taxes imposed.

"And those cost increases would be going forward every single year."

At one point, Senate Vice President Tim Shallenburger noted that renewable energy projects are not necessarily embraced in some communities.

"I think you're missing something here," Shallenburger told Svaty.

"Most counties don't want to see this stuff," he said. "I'm not being anti wind or solar, but I have three counties, and they're all passing moratoriums and zoning as fast as they can."

"They love taxing it. So, you've got a little political problem, I think," he said.

But Laura Lutz, director of government affairs for Evergy in Kansas, warned the tax could come with a price.

"While this bill is designed to provide property tax relief, it would do so at the expense of ratepayers," Lutz said in a written testimony.

"A nameplate capacity tax coupled with the production tax would create a pass-through cost on electricity bills, raising the cost of electricity for customers, including some of the most vulnerable low- and fixed-income customers," Lutz said.

Marvin Matchett, president of the legislative policy group, said any revenue generated from a solar or wind project should remain in the host county.

"If the state imposes a tax on infrastructure located within a county while counties remain prohibited from collecting property tax on those facilities, we believe it is reasonable that a

portion of the excise tax revenue remain in the counties where these projects are located," he said.



"Counties provide the infrastructure and public services that support these facilities, including roads, emergency response, and other local responsibilities," he said in written testimony.

"Retaining a portion of the revenue locally would help ensure counties have the resources needed to manage those impacts."

The Farm Bureau supported the bill. A lobbyist said the group's members are questioning how they benefit from renewable energy if it's moved out of the state.

A lobbyist for the Farm Bureau addressed the bill at an informational hearing held in the House tax committee last week with the expectation that legislation could be heard before the end of the session.

"A consistent question among our members that they've grappled with is: How does Kansas benefit when energy generated here is delivered elsewhere?" Farm Bureau lobbyist Claudia Hissong told the committee.

"That has been a concern that has been heightened among our membership as large merchant transmission lines move Kansas generated electricity outside of the state to outside markets," she said.

She said the Farm Bureau adopted a policy supporting an electric energy generation fee to help cover transmission costs and lower rates for Kansas consumers.

"Our members believe that the state and the communities that host these projects and this infrastructure should see tangible benefits of that," she said.

Jackie Garagiola, director of legal and governmental affairs for the Kansas Livestock Association, said that while her group supported the bill, it was concerned that the tax will generate more money than it lowers taxes.

"We do believe that the taxes generated from this excise tax will likely be higher than that point," she said.

"We would just ask...that the Legislature consider inserting a formula within there to ensure that the revenue raised from these new taxes would be dedicated to reducing the school district levy.

"This formula would just ensure that funds are used for property tax relief, and that's what our policy would really support," she said.

During the House hearing, Democratic state Rep. Henry Helgeson of Eastborough suggested that the renewable industry should combat the proposed tax bill in court.

"We encourage those industries to occur in Kansas. We can raise the taxes on them because they're captive here," Helgerson told Svaty.



"If I was in your position, I would have an attorney, best attorney in the United States, going, 'We made some deals, we made some agreements, and we are going to sue the state of Kansas, because you can't put on these kind of fees.'"

Brad Cooper

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