

# What is a Solar Energy Facility Exemption (SEFE)?

- A tax incentive to owners of utility-scale solar energy generation facilities who build a new solar energy facility and provides local governments a guaranteed and stable revenue stream from the solar energy generation facilities.
- A Solar Energy Facility Exemption Certificate (SEFEC) entitles a qualified facility to an exemption from ad valorem real property taxes for a term of 20 years.
- Exempt solar facilities are subject to a specific tax called the solar energy facilities tax. Applications are filed, reviewed, and approved by the local governmental unit. The State Tax Commission (STC) must also approve the application.



# Solar Energy Facilities Taxation Act

## Public Act 108 of 2023

- The act provides for the establishment of solar energy districts and exempts “qualified solar energy facilities” from ad valorem property taxes under the General Property Tax Act.
- Instead of ad valorem property tax payments, these facilities would be subject to the solar energy facilities specific tax.



# Statutorily Qualified Certificate Holders

## Qualified Certificate Holders:

- “Qualified solar energy facility” or “qualified facility” means a facility, whether owned or leased, that when constructed and placed in service is located in a solar energy district and that uses or will use solar energy as the sole source for the generation of at least 2 megawatts of nameplate capacity, alternating current, including any solar modules, inverter, racks, tracking, on-site battery storage systems if identified in the application pursuant to section 4(1)(a), controls, electric interface, and all components that are positioned up to, and including, the inversion of the current delivered from the facility.



# Statutorily Qualified Certificate Holders

## Qualified Certificate Holders:

- Also includes all land improvements, except buildings, exclusively used for the generation of solar energy at the facility, including access roads, security fences, and communication facilities.
- Qualified solar energy facility or qualified facility does not include any distribution or transmission lines.



# Establishment of a Solar Energy District

A solar energy district may be established in one of the following ways:

- By resolution of the local governmental unit.
- By existence or establishment of a zoning ordinance within the local governmental unit.
- All land within an unzoned qualified local governmental unit is considered a solar energy district for purposes of Public Act 108.



# When should I apply for an SEFEC?

- Form 6052, *Application for Solar Energy Facility Exemption Certificate*, can be filed after a solar energy district is established or simultaneous to a request to establish a district.
- Note: an application received by the STC on or after September 30 may not be processed until the following tax year.



# How do I apply for an SEFEC?

[Reset Form](#)

Michigan Department of Treasury  
6052 (Rev. 10-23)

## Application for Solar Energy Facility Exemption Certificate

Issued under authority of 2023 Public Act 108.

Read the instructions page before completing the form. This application should be filed after a Solar Energy District exists or simultaneously with a request to establish a district. The applicant must complete Parts 1, 2 and 3 and file the application form (with required attachments) with the clerk of the local governmental unit (LGU). This project will not receive tax benefits until approved by the State Tax Commission (STC). Applications received after September 29 may not be acted upon in the current year. This application is subject to audit by the STC.

LOCAL GOVERNMENT UNIT USE ONLY			
Application No.	Date Received		
STATE USE ONLY			
Application No.	Date Received		

**PART 1: APPLICANT INFORMATION** (applicant must complete all fields)

Applicant (Company) Name (applicant must be the owner or lessee with the tax liability of the facility)

Facility's Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Name of City, Township or Village (taxing authority) \_\_\_\_\_ County \_\_\_\_\_

City  Township  Village

Date of Commencement of the Project (mm/dd/yyyy) \_\_\_\_\_ Planned Date of Completion of the Project (mm/dd/yyyy) \_\_\_\_\_

**PART 2: APPLICATION DOCUMENTS**

Prepare and attach the following items (see instructions):

<input type="checkbox"/> Parcel number(s) of the real property where the qualified facility will be located. <input type="checkbox"/> Legal description of the real property where the qualified facility will be located. <input type="checkbox"/> A statement describing the facility and the proposed project that must include all of the following items: i. General description of the qualified facility; ii. Proposed nameplate capacity (in megawatts); iii. Itemized list of facility components, including any on-site battery storage; iv. General description of the proposed use of the qualified facility; v. A description of the general nature and extent of the new construction; vi. A time schedule for undertaking and completing the qualified facility; vii. The proposed location of the qualified facility on the property (include drawings if necessary).	<input type="checkbox"/> Warranty deed or other proof of ownership; <input type="checkbox"/> For a leased qualified facility, a copy of the lease agreement or other writing confirming that the lessee is liable for payment of the specific tax for the length of the certificate, and proof of that liability; <input type="checkbox"/> For a qualified facility located on leased real property or an easement, a copy of the memorandum of lease or memorandum of easement, which must confirm that the duration of any lease of the real property where the qualified facility is located, including all options to extend the duration of the lease, is equal to or exceeds the duration of the certificate. <input type="checkbox"/> Provide a statement that the applicant agrees to provide to the qualified local governmental unit an annual form as of December 31 of each year indicating the nameplate capacity in alternating current of the qualified facility, including any additions to the facility or retirements from the facility of any equipment during that year; or any other reporting requirements the State Tax Commission determines is necessary. <input type="checkbox"/> Provide a copy of the resolution establishing the Solar Energy District (if applicable).
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**PART 3: APPLICANT CERTIFICATION**

Name of Person Who Prepared the Application	Telephone Number	Email Address
Name of Contact Person	Telephone Number	Email Address
Name of Company Officer (No Authorized Agents)	Telephone Number	Email Address
Street Address	City	State
		ZIP Code

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the solar energy facility for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of 2023 Public Act 108 and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all the requirements thereof which are a prerequisite to the approval of the application by the local governing unit and the issuance of a Solar Energy Facility Exemption Certificate by the State Tax Commission.

Signature of Company Officer (No Authorized Agents)	Title	Date
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**PART 4: ASSESSOR REVIEW** (assessor of LGU must complete Part 4)

Estimated Assessed Value	Estimated Taxable Value
Name of Local Government Body	
Name of Assessor (first and last name)	Telephone Number
	Email Address

I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate. I also understand my statutory requirements under Section 8(2) and Section 12 of the Solar Energy Facilities Taxation Act, 2023 Public Act 108.

Assessor's Signature \_\_\_\_\_ Date \_\_\_\_\_

**PART 5: LOCAL GOVERNMENT ACTION** (clerk of LGU must complete Part 5)

Did the Local Governmental Unit Establish a Solar Energy District for this Project?  Yes  No

Date the Solar Energy District was Established (if applicable) (mm/dd/yyyy) \_\_\_\_\_

If a Solar Energy District was not established for this project, please explain:

\_\_\_\_\_

Application Action Taken by the Local Governmental Unit  Approved  Denied

Date the Resolution Approving or Denying the Application (mm/dd/yyyy) \_\_\_\_\_

School District where the Facility is Located \_\_\_\_\_ School District Code \_\_\_\_\_

**PART 6: LOCAL GOVERNMENT CLERK CERTIFICATION** (clerk of LGU must complete Part 6)

Clerk's Name (first and last)	Telephone Number	Email Address
Mailing Address	City	State
		ZIP Code

I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate and hereby request the State Tax Commission take the appropriate action as provided by the Solar Energy Facilities Taxation Act 2023 Public Act 108.

Clerk's Signature \_\_\_\_\_ Date \_\_\_\_\_

For faster service, the LGU should email the completed application and required documents to [PTE@michigan.gov](mailto:PTE@michigan.gov).

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury  
State Tax Commission  
PO Box 36471  
Lansing MI 48909



# Application for Solar Energy Facility Exemption Certificate(Form 6052)

## Applicant Requirements

- Two-page form
- Signed by the applicant
- All boxes must be completed
- General description of the qualified facility, including the proposed nameplate capacity and itemized list of facility components, including any on-site battery storage
- General description of the proposed use of the qualified facility
- Description of the general nature and extent of the new construction





# Application for Solar Energy Facility Exemption Certificate(Form 6052)

- Time schedule for undertaking and completing the qualified facility.
- Proposed location of the qualified facility.
- For a leased qualified facility, a copy of the lease agreement or other writing confirming that the lessee is liable for payment of the specific tax for the length of the certificate and proof of that liability.



# Application for Solar Energy Facility Exemption Certificate(Form 6052)

- For a qualified facility located on leased property or easement, a copy of the memorandum of lease or memorandum of easement, which must confirm that the duration of any lease of the real property where the qualified facility is located, including all options to extend the duration of the lease, is equal to or exceeds the duration of the certificate.



# Are there any fees to apply?

- The LGU may charge an application fee for processing the application not to exceed \$30,000.00.
- The LGU may impose a fee or adopt a bonding requirement for a qualified facility to provide for the removal of an abandoned or improperly maintained qualified facility, including a facility that the local governmental unit determines should be removed to protect public health, safety, or welfare.



# Public Hearing

After receipt of an application the local governmental unit must do the following:

- Hold a public hearing for the applicant, assessor, taxing authorities, and the public.
- Provide public notice by online posting on the LGU's website and physical posting in a public location in the office of the LGU.
- Within 120 days after receipt of the application by the clerk, the LGU must either approve or disapprove the application.



# LGU Process

If approved:

- The local governmental unit shall send a copy of the application and resolution to the STC within 60 days of approval but before September 30.



# LGU Process

If disapproved:

- The reasons must be set forth in the resolution and the resolution must be sent by certified mail to the applicant, the assessor, and the STC.
- Within 14 days after adoption of the disapproval resolution, the applicant may request reconsideration of the denial and provide new information.
- Within 60 days after receiving the request for reconsideration, the local governmental unit shall either approve or disapprove the request for reconsideration.



# State Tax Commission Process

- No more than 90 days after the STC receives an LGU-approved application, the STC must approve the application if the STC determines that the qualified facility complies with all provisions of the statute.
- After approving the application, the STC must issue a solar energy facility exemption certificate to the application.



# State Tax Commission Process

- The certificate must contain the following:
  - The address of the real property on which the qualified facility is located.
  - The time schedule for undertaking and completing the qualified facility.
  - A statement that unless revoked, the certificate will remain in force for the period stated in the certificate.
  - A statement of the estimated taxable value of the qualified facility for the tax year immediately preceding the effective date of the certificate after deducting the taxable value of the land. The STC shall send a copy of the certificate to the clerk and assessor of the LGU and to the applicant.





# Annual Reporting Requirement

- An annual report must be submitted to the LGU by December 31 of each year.
- The report must include the addition or retirement of any equipment at the facility during that year.



# How are the Taxes Calculated?

## Solar Energy Facility Specific Tax

- A facility with the Solar Energy Facilities Exemption will be exempt from ad valorem taxes and instead pay the specific tax as provided by [MCL 211.1159](#).
- The solar energy facility specific tax is an annual tax, payable at the same time as taxes imposed under the General Property Tax Act.



# How are the Taxes Calculated?

## Solar Energy Facility Specific Tax

- Levied annually at a rate of \$7,000 per megawatt of nameplate capacity, alternating current as reported annually by the owner or lessee to the LGU.
- The specific tax is reduced by 50% for construction in progress.



# How are the Taxes Calculated?

## Solar Energy Facility Specific Tax

- The specific tax is reduced to \$2,000 per megawatt of nameplate capacity, alternating current if the facility is located on one or more of the following:
  - Property owned by this state.
  - Property located in an opportunity zone designated by the United States Department of Treasury.
  - Property that was used or is currently used for commercial or industrial purposes and that is a facility, historic resource, functionally obsolete, or blighted.
  - Improved real property used for another purpose if the qualified facility is attached to the improvement.



# Resources

- Please visit our website at [www.michigan.gov/propertytaxexemptions](http://www.michigan.gov/propertytaxexemptions)
- Please visit the STC's website at [www.michigan.gov/statetaxcommission](http://www.michigan.gov/statetaxcommission)

