

Wind power industry is getting 'free ride,' senator says

Panel rejects wind tax bills

By BEN NEARY - Associated Press writer | Posted: Thursday, November 19, 2009 12:00 am |

CHEYENNE -- A Wyoming legislative committee on Wednesday voted against sponsoring two bills to tax wind energy development.

Industry representatives and lobbyists warned members of the Joint Revenue Committee at a meeting in the State Capitol that the proposals to tax wind power would increase costs for Wyoming households and hurt the state's fledgling wind industry.

"You need to not cobble together all these tax notions into one bill," said Larry Wolfe, a lawyer representing Duke Energy, a major wind power developer.

Wolfe said the state needs to take more time to consider taxation questions. "You're simply not going to have time today or during the session to analyze this issue," he said.

Sen. John Schiffer, R-Kaycee, is co-chairman of the joint committee and sponsor of one of the taxation bills. State officials estimate his proposal would net the state about \$74 million a year in new wind taxes.

Speaking after the committee failed to sponsor his bill and another similar measure, Schiffer said he hasn't decided whether he will try to sponsor a bill on his own in the legislative session that starts in February. It would take a two-thirds vote to consider any non-budget bills.

"They're getting a pass; they're not paying their share," Schiffer said of the wind industry after the committee vote. He said other energy industries in the state pay taxes on their production while the wind industry doesn't.

Schiffer said wind projects are also exempt from sales taxes until 2011, leaving them only required to pay property taxes.

"It's too bad," Schiffer said of the committee vote. While he regards wind power as a good industry for the state, he said, "we don't need to give them a free ride while we're doing it."

Schiffer said during the committee hearing that his bill would impose a tax of about 5 percent on wind power generation, slightly less than the roughly 7 percent tax the state collects on coal and roughly 6 percent on gas and oil.

Schiffer's bill would have put 10 percent of the revenues from his bill into a state wildlife fund to mitigate the effects of development on sage grouse. State officials are concerned about the effect on energy production if the federal government declares the bird endangered.

Norman Ross, an accountant with Rocky Mountain Power, warned the committee that the company would pass along any new taxes to its customers as higher rates. He said the bill would cost the company about \$40 million a year.

Joe Evans, with the Wyoming County Commissioners Association, told the committee he supported Schiffer's bill. He said county governments commonly provide uncompensated services such as roads and emergency services to wind farms.

