

SESSION OF 2025

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2083**

As Amended by House Committee on Taxation

**Brief\***

HB 2083, as amended, would provide a property tax exemption to any energy storage system, as defined by the bill, that commences construction or installation on or after January 1, 2025.

The exemption would apply for a period of 10 tax years.

The bill would also specify that such property does not qualify for the exemption for commercial and industrial machinery and equipment. [*Note:* The exemption for commercial and industrial machinery and equipment is available for an indefinite period of time.]

**Background**

The bill was introduced by the House Committee on Taxation at the request of a representative of the Advanced Power Alliance.

***House Committee on Taxation***

In the House Committee hearing, **proponent** testimony was provided by representatives of the Advanced Power Alliance and Plus Power. Proponents stated the bill would resolve uncertainty regarding the tax status of energy storage systems while providing that the property eventually appears on the tax rolls.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

Written-only proponent testimony was provided by a representative of the Kansas Association of Counties.

Written-only opponent testimony was provided by a representative of the Kansas Policy Institute.

No other testimony was provided.

The House Committee amended the bill to provide for the exemption to take effect beginning in tax year 2025.

### **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue, the League of Kansas Municipalities, and the Kansas Association of Counties indicate enactment of the bill has the potential to reduce local property tax revenues by unknown amounts if any new energy storage systems are built in the future.

The Department of Revenue indicates enactment of the bill would have no fiscal effect on its operations. The Board of Tax Appeals indicates enactment of the bill could increase exemption filings by a negligible amount and such increase could be absorbed within existing resources.

A revised fiscal note on the amended bill was not immediately available.

Any fiscal effect associated with the bill is not reflected in *The FY 2026 Governor's Budget Report*.

Taxation; property tax; exemptions; energy storage system