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I am Aron Cromwell, an engineer, solar installer and the CEO of Cromwell Solar, the largest solar energy firm in Kansas. I am opposed to SB 257, a Bill providing a ten-year limitation on exemption for property used for renewable energy and technologies.

As rooftop solar photovoltaic (PV) systems are concerned limiting the tax exemption to ten years would have a small, but negative impact. The Federal depreciation schedule allows these systems to be fully depreciated in the first five years. So while these arrays have a useful lifetime of 20-30 years, it's possible that by year ten the value would be assessed at zero, or something small enough to have a negligible impact when the mill levy is factored.

Despite this possibility, determining the value of these arrays at year ten would be difficult and a burden to someone – local authorities, the state, or the homeowner. It is possible that the cost of valuing these systems and administering this new tax will be higher than any revenue the state would realize.

At the same time, removing this exemption and applying it retroactively, as the language of this bill implies, to systems built since 1998 is also problematic. When small business and home-owners spend their own money to have solar PV installed, the current tax and economic conditions of the day are factored into their decision. Changing the tax rules retroactively would place an unfair burden on the project and certainly an unanticipated cost and bureaucracy, especially if a small business has up to six years of back-taxes to pay on a system that was penciled out to be tax exempt.

The Kansas solar industry is small but growing. Throughout the state we are training and employing new installers, designers and office staff and using sub-contractors. We talk a lot about how job creation in our state, and everyone agrees it is our top priority and worthy of conducive state policies. I present to you today that this Bill would not help us create new Kansas jobs but make it more difficult and create burdens down the road for those who have these systems installed.

I appreciate your service to my State and your time in the consideration of all sides of this issue. If I may answer any questions or clarify any point please do not hesitate to ask at whatever time would be most appropriate. Always feel free to contact me at the office at 785-749-6020 or via email at ACromwell@CromwellEnv.com.

Sincerely,

Aron Cromwell, CEO Cromwell Solar
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