Florida Department of Revenue
Tax Information Publication

TIP

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June 1, 2005

SOLAR ENERGY SYSTEMS
SALES AND USE TAX EXEMPTION
NO LONGER SUBJECT TO REPEAL

Florida Law exempts from sales and use tax solar energy systems and all components of such systems. Previously set for repeal on July 1, 2005, the exemption's repeal date has been removed under an amendment to the law by the 2005 Florida Legislature. Accordingly, the exemption is no longer subject to an expiration date.

The term "solar energy system" means the equipment and requisite hardware that provide and are used for collecting, transferring, converting, storing, or using incidental solar energy for water heating, space heating and cooling, or other applications that would otherwise require the use of a conventional source of energy such as petroleum products, natural gas, manufactured gas, or electricity.

A list of equipment and requisite hardware considered to be a solar energy system or component thereof is included for your reference.

Sellers of solar energy systems or components thereof are required to document exempt sales. The following is a suggested form to be completed by the purchaser and presented to the seller:

The undersigned hereby certifies that all equipment and requisite hardware purchased or leased on the attached order is purchased or leased for use exclusively in a solar energy system.

Purchaser's Name _____

Address _____

By _____ Date _____
(signature)

References: Chapter 2005-83, Laws of Florida; Sections 212.02(26) and 212.08(7)(hh), Florida Statutes

FOR MORE INFORMATION

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit our Internet site at www.myflorida.com/dor. Or call Taxpayer Services, 8:00 a.m., to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671 or 850-488-6800.

Hearing- or speech-impaired persons should call our TDD at 800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, 1379 Blountstown Highway, Tallahassee, FL 32304-2716.

FLORIDA SOLAR ENERGY CENTER®

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The Florida Solar Energy Center certifies the following list to the Department of Revenue, pursuant to Section 212.08(7)(hh), Florida Statutes.

SOLAR ENERGY SYSTEM COMPONENTS

COLLECTOR: The purpose of a solar collector in thermal applications is to gather radiant energy from the sun and transfer it in the form of heat to a fluid for the purpose of domestic water heating, pool heating, space heating and cooling. A collector may consist of an absorber plate and tubing which may or may not be enclosed in an insulated box with a transparent cover. The collector provides the primary energy input to the system. Solar electric systems considered eligible for the exemption collect the light energy from the sun and convert it to electricity. A solar photovoltaic powered attic fan ventilation system is eligible. A pool blanket is eligible as a "passive" solar collector whether used in conjunction with or independently from an active solar pool system.

> TYPICAL MATERIALS: Cover plate - glass, resin - fiberglass, plastic, vinyl; Absorber and tubing - copper, galvanized steel, aluminum, plastic, rubber; Coating - non-selective, moderately selective, and selective; Insulation - polyisocyanurate, homasote, urethane, ductboards, fiberglass; Box - aluminum, galvanized steel, exterior grade wood, molded fiberglass; Photovoltaic Array - photovoltaic modules.

PUMP AND CONTROLS: The equipment which regulates the circulation of the fluid between the storage medium and the collector.

> TYPICAL MATERIALS: Pump - bronze, brass, stainless steel, cast iron; Controller - solid state transistorized controller, sensors, timer, snap switches, and photovoltaic modules.

PHOTOVOLTAIC POWER CONDITIONING EQUIPMENT: The equipment which receives the direct current from the photovoltaic array, converts it to alternating current for consumption and/or transfer to the electric utility grid.

> TYPICAL MATERIALS: Inverters, transformers, junction boxes, meters, maximum power trackers, dc to dc converters, and charge controllers.

STORAGE UNIT: The equipment which receives thermal energy, or direct current in the case of a solar electric system, and retains it for future use.

> TYPICAL MATERIALS: Conventional tank, solar specific tank, tank equipped with heat exchanger, expansion tank, heat storage by phase change material, desiccants, batteries, regulators, mechanical housing and venting.

ACCESSORIES (when used as an integral part of a solar system): Piping, insulation, air vents, relief valves, mixing valves, check valves, gate valves, assorted bolts, nuts, washers and screws, mounting brackets, angle irons and other structural support (other than roof), solder, flux, pitch and pitch pans or other sealant, drain down reservoir, fans, air handling units, air dampers, heat exchangers, heat transfer fluids, convectors, radiators, pool blankets, direct current wiring, and miscellaneous safety equipment required for P.V. applications; for example, blocking and bypass diodes, surge arrestors, disconnect switches, fuse holders, fuses, relays, junction boxes, ground fault detector and/or interrupter, grounding hardware, and utility-interconnection protection equipment.

NOTE: Amount of piping allowable for the exemption is limited to that used in collector construction and the feed and return lines between collector and storage. Piping from the tank to the taps would be required in a conventional system and therefore is not eligible for an exemption. A typical or rule of thumb piping length for feed and return would be a total of 80 to 100 feet. Wiring used in photovoltaic applications considered eligible for the exemption is limited to that wiring which is unique to the system. Therefore, alternating current wiring throughout the structure which would be present without regard to the photovoltaic system is not eligible for the exemption. Tangible personal property in which the solar equipment is integral to the property (such as calculators, patio lights, appliances and novelty items), and where the cost of the solar equipment cannot be or is not separate from the total product cost, is not considered to be a solar energy system.