

<b>DOCKETED</b>	
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<b>Project Title:</b>	Community Shared System Applications
<b>TN #:</b>	231751
<b>Document Title:</b>	Steve Uhler Comments - BSTD-19-08 Local agency taxes and benefits
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*Comment Received From: Steve Uhler  
Submitted On: 1/27/2020  
Docket Number: 19-BSTD-08*

## **BSTD-19-08 Local agency taxes and benefits**

BSTD-19-08 Local agency taxes and benefits

Dear Energy Commission Commissioners,

SMUD does not address the bill payments for taxes applicable to SolarShares.

How will the local agency taxes and benefits be ensured if SMUD chooses to utilize bill payments that would not exist for a on-site system?

SMUD says they may initially use an "off-bill" system to apply the SolarShares Charges and Credits and the \$10/kW or greater net benefit to participating customers.

What does "off-bill" mean?

The utility tax imposed City of Sacramento shall be collected from the service user by SMUD. How will this tax collection be done if SMUD applies the SolarShares Charges "off-bill"?

How will SMUD makeup the difference between City of Sacramento deed transfer taxes and utility taxes if SMUD has bill payments on bill or "off-bill"?

I asked that the Commissioners not approve SMUD's application without docketed written answers to the questions I have posed here, thereby providing the commission with the most comprehensive record feasible in the proceeding prior to action being take on SMUD's application.

See below for more detail.

Steve Uhler  
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*Additional submitted attachment is included below.*

## BSTD-19-08 Local agency taxes and benefits

City of Sacramento utility tax for minimum charges for service (SolarShares Charges) is 7.5 percent, and no tax for receiving of such energy from a person by an electrical corporation or a governmental agency at a point within the city for resale to service users. City of Sacramento deed transfer tax is levied at the rate of .00275 of the value of consideration (0.275 percent).

Please consider the taxes for electric utility services and deed transfer taxes in the items I have **highlighted** below.

### **3.32.050 Electricity user tax.**

A. **There is imposed a tax upon every person in the city**, other than an electrical corporation or a public agency rendering electric utility service, or a gas corporation using electrical energy in the city. The tax imposed by this section **shall be at the rate of five percent of the charges made for such energy, including minimum charges for service, and shall be paid by the person paying for such energy.**

B. As used in this section, the words "**using electrical energy**" shall not be construed to mean the storage of such energy by a person in a battery, owned or possessed by him or her for use in an automobile or other machinery or device apart from the premises upon which the energy was received, provided, however, **that the term shall include the receiving of such energy for the purpose of using it in the charging of batteries, nor shall the term be construed to mean the receiving of such energy by an electrical corporation or a governmental agency at a point within the city for resale to service users**, or the use of such energy in the production or distribution of water by a water corporation or a governmental agency.

C. **The tax imposed in this section shall be collected from the service user by the person supplying such electrical energy.** The amount of tax collected in one month shall be remitted to the city collector on or before the last day of the following month. (Prior code § 41.06.053)

See [https://www.qcode.us/codes/sacramento/view.php?topic=3-3\\_32-3\\_32\\_050&frames=on](https://www.qcode.us/codes/sacramento/view.php?topic=3-3_32-3_32_050&frames=on)

### **3.32.060 Additional electricity user tax.**

In addition to the tax imposed by Section [3.32.050](#) of this chapter, **there is imposed a tax upon every person in the city**, other than an electrical corporation or a public agency rendering electric utility service, or a gas corporation using electrical energy in the city. The tax imposed by this section **shall be at the rate of two and one-half percent of the charges made for such energy, including minimum**

**charges for service**, and shall be paid by the person paying for such energy. The provisions of this chapter, including subsections B and C of Section [3.32.050](#) of this chapter shall apply to the additional tax imposed by this section. (Prior code § 41.06.053-1)

See [https://www.qcode.us/codes/sacramento/view.php?topic=3-3\\_32-3\\_32\\_060&frames=on](https://www.qcode.us/codes/sacramento/view.php?topic=3-3_32-3_32_060&frames=on)

### **3.16.020 Imposition of tax.**

**There is imposed a tax on all transfers by deeds**, instruments, writings or any other document by which any lands, tenements or other interests in real property sold, located in the city, are or is granted, assigned, transferred or otherwise conveyed to or vested in a purchaser, or purchasers thereof, or any other person or persons, by his or their direction. **Said tax shall be levied at the rate of .00275 of the value of consideration.** (Prior code § 41.09.128)

See [http://www.qcode.us/codes/sacramento/view.php?topic=3-3\\_16-3\\_16\\_020&frames=on](http://www.qcode.us/codes/sacramento/view.php?topic=3-3_16-3_16_020&frames=on)

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