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# Aragon - New taxes on wind and photovoltaic generation

The autonomous region of Aragon has published Act 2/2024, creating new taxes on wind farms and photovoltaic power plants

Spain - Legal flash

May 30, 2024



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## Key aspects

**Act 2/2024** creates **two new environmental taxes** in the **autonomous region of Aragon**.

The **environmental tax on wind farms** and the **environmental tax on photovoltaic plants** seek to offset the environmental impact of these facilities.

These new taxes may have **significant economic effects** for owners of **wind farms and photovoltaic plants** located totally or partially in the autonomous region of Aragon.

The new Act also provides for **exemptions, reductions and deductions** that will reduce the tax burden in some cases.



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## Introduction

Below we analyze the most important developments of Act 2/2024, of May 23, taxing the environmental impact of wind farms and photovoltaic plants in the autonomous region of Aragon, and modifying the environmental tax on high-voltage transmission stations (“Act 2/2024”).

While Act 2/2024 make changes to some aspects of the preexisting tax on high-voltage overhead power lines, this Legal Flash only analyzes the measures related to the new environmental tax on wind farms (“**Tax on wind farms**”) and the new environmental tax on photovoltaic plants (“**Tax on PV plants**”) as a new development in Aragon’s tax system.

Act 2/2024 entered into force on **May 30, 2024**, establishing tax obligations for the current financial year. As a result, in **2024**, taxpayers must file the **initial tax registration application**, make the **installment payments** for **September and December 2024**, and file their **2024 self-assessment return** within the applicable period.

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## Tax on wind farms

The **owners of wind farms** will be subject to this new tax, even if the farms are non-operational, until they are completely dismantled and the environment is restored to its original state.

The **taxable base** is composed of the following items:

- The sum of the height of each of the wind turbines that make up the wind farm located in Aragon, including both the tower and the rotor radius. The **tax rate** is applied to this part of the taxable base according to the following scale:

Height of tower and rotor radius up to (meters)	Tax amount	Remaining height of the tower and rotor radius up to (meters)	Tax amount per meter
0		125	€38
125	€4,750	75	€35
200	€7,375	50	€30
250	€8,875	Upward	€25

The tax rates finally approved have been increased by between 5 and 10 percentage points for wind turbines over 125 meters with respect to the rates initially provided for in the draft bill.



- The sum of the power in MW of the wind turbines of the wind farm located in Aragon.

A fixed rate of €1,040 per MW is applied to this part of the taxable base. In this case, the rate has been reduced with respect to the draft bill, which established a rate of €2,040 per MW.

The **total tax amount** results from applying the different tax rates to each component of the taxable base.

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## Tax on PV plants

The **owners of PV plants** will be subject to this new tax, even if the plants are non-operational, until they are completely dismantled and the environment is restored to its original state. Likewise, any subject that exploits a PV plant will be **jointly and severally liable**.

However, installations located on roofs or decks or those occupying an area of less than five hectares are not subject to the tax (the draft bill exempted installations of less than two hectares).

The tax base is determined by the **fenced surface area** (in hectares) occupied by the plant in the autonomous region of Aragon.

The **tax rate** is applied to the taxable base according to the following scale:

Hectares	Tax amount per hectare
Up to 20 ha	€650
+20 ha - 60 ha	€800
+60 ha - 100 ha	€1,000
+100 ha - 200 ha	€1,200
+200 ha - 300 ha	€1,350
+300 ha	€1,500

The tax amounts finally approved are, on average, 33% lower than those initially provided for in the draft bill.



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## Tax benefits

The new Act provides for exemptions, reductions and deductions for both the Tax on wind farms and the Tax on PV plants.

### > Exemptions

The new Act provides for an exemption for self-consumption, both in its modality without surplus and with surplus (the latter was not included in the draft bill), subject to conditions related to the size of the plant and its capacity.

### > Reductions

The new Act provides for a reduction of between 50% and 100% of the tax amount for the first two periods following the granting of the final operating authorization for the plant, depending on the date of the authorization.

A 50% reduction is provided for self-consumption, both with and without surpluses, in the event that the conditions for the application of the above exemption are not met.

A 99% reduction is provided for projects awarded in power capacity tenders including binding and guaranteed commitments of investment, employment generation and economic impact in the affected area.

A 99% reduction is provided for self-consumption with surplus linked to projects recognized as *PERTE industrial*. This 99% reduction, together with the previous one, replaces the 99% rebate for Projects of General Interest of Aragon (PIGAS) provided for in the draft bill.

### > Deductions

The new Act provides for a deduction of 20% of the amount of environmental investments made and those improving the socioeconomic welfare of the affected municipalities, with a limit of 30% of the total tax liability.



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For additional information, please contact our [\*Knowledge and Innovation Group\*](#) lawyers or your regular contact person at Cuatrecasas.

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