



Solar Energy System Property Tax Exclusion Expiration January 1, 2027



Assessor Tom J. Bordonaro, Jr. is alerting property owners that California's active solar energy system property tax exclusion will expire on January 1, 2027.

What Property Owners Should Know

Existing Solar Systems:

For property owners with a qualified active solar energy system completed by January 1, 2027 the long-standing property tax exclusion will continue without change until there is a subsequent change in ownership of the property.

New Solar Systems:

A solar energy system that is under construction and not completed by January 1, 2027 will not qualify for the property tax exclusion and will be subject to assessment as new construction.

After the exclusion expires, the installation of a qualifying solar energy system will be considered assessable as new construction. The market value of the solar energy system will **be added to the property's existing assessment resulting in an increase in property taxes.**

For example, if a property has an existing assessed value of \$500,000 and a solar energy system is installed after the exclusion expires, the assessable value of the solar system would be added to the \$500,000 assessment.

Why the Deadline Matters

California's active solar energy system property tax exclusion was first enacted in 1980 and has been extended several times. Although legislation was considered to further extend or modify the exclusion, no extension was approved by the Legislature and Governor. Property owners planning to install a solar energy system should allow sufficient time for permitting, installation, inspection, and completion before January 1, 2027.

Learn More

For additional information about the Active Solar Energy System Exclusion and to learn more if your potential solar project meets the criteria to qualify for the exemption, please visit the California State Board of Equalization's Active Solar Energy System Exclusion webpage. For specific guidance regarding the sunset date, see the BOE Letter to Assessors No. 2026/034.

For More Information

Visit us online at San Luis Obispo County Assessor's Office
Email: assessor@co.slo.ca.us or call 805-781-5643 or stop
by our offices at 1055 Monterey Street, Suite D-360, San
Luis Obispo or 6565 Capistrano Avenue, Atascadero