

Report Recap:

# Windswept Fields of Opportunity: Iowa Wind Energy County Tax Impact Studies



View the entire report:

“Windswept Fields of Opportunity: Iowa Wind Energy County Tax Impact Studies,” a report by Alex Delworth, can be found at [cfra.org/publications](https://cfra.org/publications).

## Introduction

Wind energy was introduced to Iowa in the early 2000s and has been a feature of the landscape since. In 2021, the state was the second largest producer of wind energy and led the nation in net electricity generation at 58%.

Wind development poses a number of economic benefits in job creation and secondary industry development, but it also provides substantial revenue streams for counties and landowners. In 2021, Iowa wind turbines generated approximately \$57 million in tax revenues for state and local taxing bodies, and operators paid out \$67 million in lease payments to landowners.

## Taxing wind energy in Iowa

Counties have used two methods for taxing wind farms: Tax Increment Financing (TIF) and a standard taxing method. These methods are based on a special valuation designated by the Iowa Legislature (formula shown below). The valuation determines the assessed value of the wind energy system and ultimately the amount of tax that will be paid by the project. This valuation is key to understanding the tax impact wind farms can have on rural counties.

**Special valuation** is assessed based on the net acquisition cost.

**Net acquisition cost = total cost of the property + installation of the wind energy system.**

Property is assessed at a rate of 0% of the net acquisition cost in the first year after installation.  
The rate increases by 5% each following year before it is capped at 30% in year seven.

**TIF method.** County governments will apply the levy rates to the assessed value of the turbines and split that revenue between normal taxing bodies and special projects. Through TIF, counties have the ability to finance loans based on future tax collections for projects in special taxing districts. This allows counties to more quickly access funds for special projects without raising taxes.

**Standard taxing method.** This method taxes the turbines like any other property in the county. This means the assessed value of a wind energy system, determined by the special valuation, would be lumped in with the county's total valuation of property, also known as the tax base. This increase in the tax base results in either a reduction of the tax burden on residents through a decrease in the levy or an increase in services such as schools, emergency health services, and law enforcement.



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The three counties examined in this report are highlighted in Figure 1. Ida County is in one of the most wind-rich areas of the state.

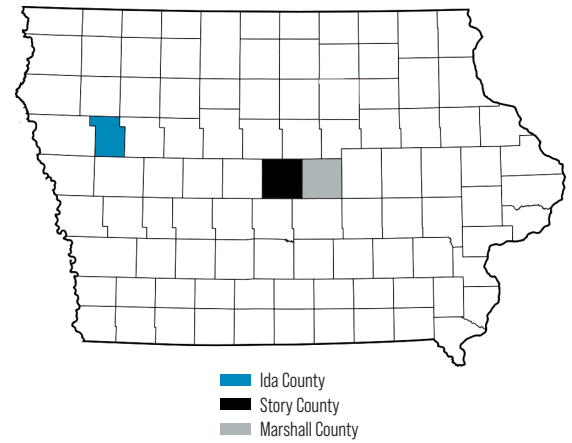
Figure 1. Iowa impact study counties

## Definitions

**Project start year:** The year any large-scale wind energy projects within the county became operational.

**Maximum valuation in year X:** Using the special valuation (equation above), this is the maximum valuation a turbine can be assessed at after its seventh year since coming online. This valuation extends for the lifetime of the project.

**Total amount of TIF funding used for special projects:** This is the amount of wind revenue used for special projects. Additional revenue is split up between normal taxing bodies like schools and emergency services.



### Story County



**Population:** 98,000



**Number of turbines:** 137



**Project start years:** 2008, 2009



**Net acquisition cost across all turbines:** \$363 million



**Maximum valuation in 2024 (30% of acquisition cost):** \$109 million



**Taxing Method:** TIF



**Amount of TIF revenue collected in 2022:** \$1.82 million



**Total amount of TIF funding used for special projects:** \$8.97 million

#### Featured wind tax revenue contributions:

Story City (pop. 3,411) - \$275,040

- Main Street revitalization
- Additions to public parks
- Revitalization of the county's more than 100-year-old carousel

Slater (pop. 1,436) - \$236,625

- Main Street revitalization
- New street lighting, parking, and sidewalks
- Included the purchase and renovation of a downtown property that now houses a biotechnology company

Cambridge (pop. 941) - \$200,000

- Contributed to a new community center
- Revitalization project for the town's 1914 opera house

**TIF has supplied \$8.97 million in funding for urban renewal projects across Story County, with an equal amount going into schools and other county services.**



## Ida County



**Population:** 6,862



**Number of turbines:** 215



**Project start years:** 2016, 2019



**Net acquisition cost across all turbines:**  
\$751 million



**Maximum valuation in 2027  
(30% of acquisition cost):** \$225.3 million



**County tax revenue collected in 2023:**  
\$1.8 million



**Taxing Method:** TIF



**Estimated tax revenue collected at peak  
in 2027:** \$3.6 million



**Total amount of TIF funding used for  
special projects:** \$37.4 million

### Featured wind tax revenue contributions:

Arthur (pop. 228) /  
Kiron (pop. 321) - \$14.2 million

- 20 miles of a concrete overlay on County Highway M31 from US-20 to IA-39

Ida Grove (pop. 420) - \$10.9 million

- Repaving of an 8-mile stretch of Jasper Avenue from D-54 into Ida Grove
- Contributed \$2 million toward renovation of the county courthouse's main entrance to make it ADA-accessible

Galva (pop. 420) - \$6.3 million

- 11.5 miles of a concrete overlay on D-15 into Galva

**Without this revenue, Ida County officials say they wouldn't have had the financial resources to do the projects without increasing the tax levy.**

## Marshall County



**Population:** 40,000



**Number of turbines:** 116



**Project start years:** 2011, 2012, 2013



**Net acquisition cost across all turbines:**  
\$363.9 million



**Maximum valuation in 2020  
(30% of acquisition cost):** \$109 million



**County tax revenue collected in 2023:**  
\$2.4 million



**Taxing Method:** Standard taxing method



**Wind tax revenue share of total county  
revenue in 2020:** 9.5%

### Featured wind tax revenue contributions:

- Without the revenue from turbines, the levy on taxpayers would have to increase by 22.7% to maintain the same level of county services.
- Wind projects contributed \$1.34 million to school districts in 2020 and provided \$668 in funding per student in the East Marshall Community School District.

