

## BLINK SOLAR

# VAT income tax for energy storage projects



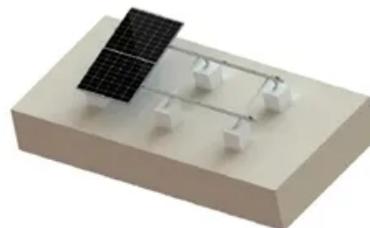
TILE ROOF SOLAR MOUNTING SYSTEM



STANDING SEAM ROOF SYSTEM



ADJUSTABLE TILT FLAT ROOF SYSTEM



TRIANGLE FLAT ROOF SYSTEM



## Overview

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When will the VAT charge be removed for battery energy storage systems?

As of 1 February 2024, the UK government has removed the VAT charge for domestic battery energy storage systems (BESS) under any circumstance. The policy change, initially announced in December 2023, followed a lengthy campaign by both Solar Energy UK and parliamentarians to include retrofitted BESS in the 20% tax exemption.

Are battery storage projects eligible for tax relief?

Tax relief eligibility for battery storage Projects The expanded tax relief encompasses three main categories of battery storage projects, each contributing towards the enhancement of the UK's energy grid's resilience and sustainability:

- Battery storage integrated with Solar PV: Enhancing solar energy generation with storage capabilities.

Why is VAT extending to energy-saving materials?

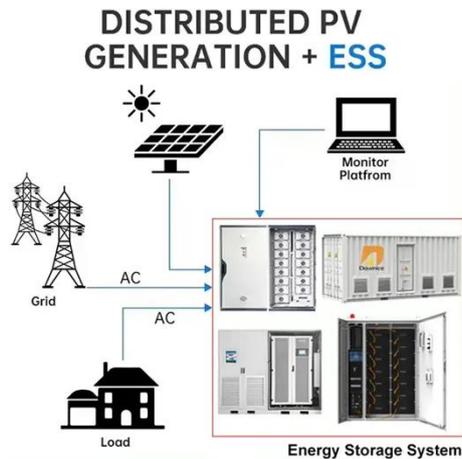
The policy's roots can be traced back to the government's Spring Statement of 2022, which saw the initial extension of VAT relief to energy-saving materials (ESMs), hailed for its progressive stance. However, it quickly became evident that further expansion was necessary to support the UK's transition to cleaner energy sources sufficiently.

Are energy saving materials subject to VAT?

“Under current rules, the fact that energy saving materials are frequently installed at the same time as wider heating measures, such as full central heating systems, prevents the reduced rate from being applied at all, meaning they are subject to 20 per cent VAT.”

## VAT income tax for energy storage projects

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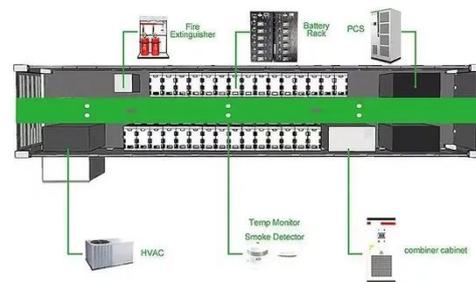


### Tax and Energy Series : Finland

Regarding energy sector trends, solar power production in Finland has seen a marked increase in recent years. Additionally, there is growing interest in investments in ...

### The economic impact of solar and battery storage

Solar energy and battery storage support employment in good quality and high productivity jobs, with an average GVA per job of £88,800 in 2024, over 40% larger than the ...

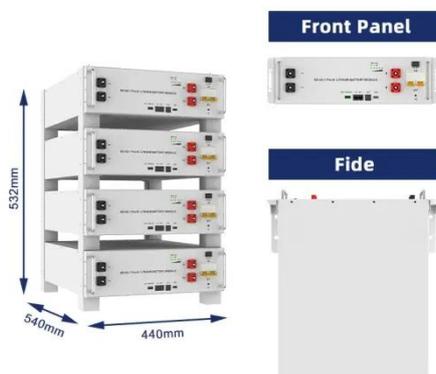


### Colombia Expands Tax Benefits for Energy Projects, Including ...

UPME issued Resolution 736 of 2025, expanding energy projects eligible for tax benefits in Colombia. Expanded list includes transportation-related services and various ...

## UK Government Unveils VAT Relief for Domestic Energy Storage ...

The UK government has announced plans to offer VAT relief on installing Battery Energy Storage Systems (BESS), including retrofitted BESS, which will become exempt from ...

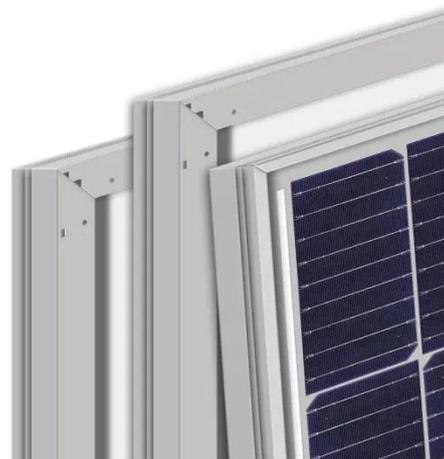


## Understanding VAT Implications for Energy Storage Systems ...

Understanding VAT Implications for Energy Storage Systems in 2025 Picture this: A solar farm in Spain pays 21% VAT on battery storage while its German counterpart enjoys a 7% reduced ...

## Guidelines on Preferential Tax and Fee Policies Supporting

49. Reduction of and exemption from corporate income tax on the implementation of the Clean Development Mechanism projects (II) Tax incentives for wind, hydro, photovoltaic ...



## VENSAV3061

With effect from 1 February 2024, electrical storage batteries are included



(in the circumstances set out below).  
These are batteries that store energy in the form of chemical ...

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Tax incentives for wind, hydro, photovoltaic ...



## Energy Storage Power Station Tax Situation Report: What ...

Ever wondered why energy storage projects are suddenly the "cool kids" of renewable investments? Spoiler alert: tax incentives are playing matchmaker between green ...

## gridX - The UK to offer 0% VAT on energy storage batteries

- The UK is expanding its tax relief to all

battery storage systems. The move is being seen as a great benefit for consumers, energy players and sustainability.



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## Taxes and incentives for renewable energy

These include FITs, tax holidays, accelerated depreciation, carbon tax/ pricing, trading schemes, energy taxes, excise taxes or VAT in relation to wind, solar, biomass, ...



## UK Government announces Tax Relief for Battery Storage ...

This blog provides an insightful overview



of the UK government's recent implementation of tax relief for energy storage batteries, effective from 1 February 2024. Aimed ...

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## How much tax is paid per mu for energy storage projects?

1. Energy storage projects in China incur a tax of approximately 30,000 to 50,000 RMB per mu annually. This figure is influenced by various regulatory framework...



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## Tax and Energy Series : China

The major taxes include Value Added Tax ("VAT"), Enterprise Income Tax ("EIT") which needs to be paid when conducting business activities and Individual Income Tax ("IIT"). ...

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## Guide on the Allowances and Deductions Relating to ...

Income Tax Guide on the Allowances and Deductions Relating to Assets Used in

the Generation of Electricity from  
Specified Sources of Renewable Energy



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## Contact Us

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