

**OKLAHOMA TAX COMMISSION**

**FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT  
FIRST REGULAR SESSION, FIFTY-FIFTH OKLAHOMA LEGISLATURE**

**DATE OF IMPACT STATEMENT:** February 19, 2015

**BILL NUMBER:** SB 502 **STATUS AND DATE OF BILL:** Introduced 1/22/15

**AUTHORS:** House n/a Senate Mazzei

**TAX TYPE (S):** Income Tax **SUBJECT:** Credit

**PROPOSAL:** Amendatory

SB 502 proposes to amend the Investment/New Jobs Tax Credit (68 O.S. § 2357.4) by prohibiting the claiming of this credit by any entity engaged in electric power generation by means of wind.

**EFFECTIVE DATE:** January 1, 2016

**REVENUE IMPACT:**

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 16: -0-  
FY 17: -0-

**ADMINISTRATIVE IMPACT:**

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 16: No additional cost or savings to the Tax Commission due to this proposed legislation.

Feb. 20, 2015  
DATE

Rick Miller  
DIVISION DIRECTOR

mck

2-20-15  
DATE

Reece Womack  
REECE WOMACK, ECONOMIST

2/23/15  
DATE

[Signature]  
FOR THE COMMISSION

**ATTACHMENT TO FISCAL IMPACT – SB 502 [Introduced] Prepared February 19, 2015**

SB 502 proposes to amend the Investment/New Jobs Tax Credit (68 O.S. § 2357.4) by prohibiting the claiming of this credit by any entity engaged in electric power generation by means of wind.

Under current law an income tax credit is allowed for either an investment in depreciable property used in a manufacturing or processing facility or for a net increase in average levels of employment in said facilities. The credit is for five years and is generally the greater of \$2,500 per new job or 5% of the amount of investment in qualified depreciable property<sup>1</sup>. Entities engaged in electric power generation by means of wind qualify as a manufacturer and are therefore eligible for this credit.

Under this proposal, the claiming of Oklahoma Investment New Jobs Credit by an entity engaged in electric power generation by means of wind is prohibited.

Presently, entities that engaged in electric power generation by means of wind have not used the Investment New Jobs Tax Credit to reduce their Oklahoma income tax. No change to revenue is anticipated as a result of this measure.

---

<sup>1</sup> Under certain conditions, the credit is for five years and is generally the greater of \$5,000 per new job or 10% of the investment in qualified depreciable property.