

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	HB1035XX
Version:	INT
Request Number:	50347
Author:	Rep. Wallace/ Sed. David
Date:	2/8/2018
Impact:	FY-20 Savings to the State of \$52.3 Million

Research Analysis

HB1035XX, as introduced, established an annual cap equal to \$18 million for the zero-emission facilities production tax credit effective tax year 2018. The measure directs the Oklahoma Tax Commission to use a percentage adjustment formula to determine a percentage by which the credits authorized are to be reduced to satisfy the \$18 million annual cap. In the event that the total tax credits authorized exceed the annual cap, the commission will permit any excess, but must factor the excess into the percentage adjustment formula for subsequent years. Any credit that is unused because of the cap may be carried over until the credit can be fully used.

Prepared By: Quyen Do

Fiscal Analysis

HB 1035XX places a statewide cap of \$18 Million annual cap on the utilization of Zero-Emission Facilities Tax Credits. The Tax Commission estimates that approximately \$73.9 Million in such credits were processed during calendar year 2016. The Tax Commission estimates the savings related to the implementation of the cap provided in HB 1035XX as follows:

FY-18	\$0
FY-19	\$0
FY-20	\$52.3 Million

Prepared By: John McPhetridge

Other Considerations

None.