

**BILL SUMMARY**  
1<sup>st</sup> Session of the 56<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1548</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>6349</b>
<b>Author:</b>	<b>Rep. Dunlap</b>
<b>Date:</b>	<b>2/28/2017</b>
<b>Impact:</b>	<b>Tax Commission: Impact Unknown</b>

**Research Analysis**

HB1548, as introduced, sunsets a tax credit for electricity generated by a zero-emission facility on July 1, 2017 and caps the total amount of credits which may be claimed at \$15 million per fiscal year beginning fiscal year 2018. The measure also requires claimants for the credit to file an annual report summarizing the total amount of electric power produced each month from any and all facilities owned by the taxpayer in the state. A taxpayer that fails to submit the report by February 15 will have their name published on a list of nonfilers on the Oklahoma Tax Commission website.

Prepared By: Quyen Do

**Fiscal Analysis**

From the Tax Commission:

HB 1548 proposes to amend 68 O.S. §2357.32A relating to the Credit for Electricity Generated by Zero-Emission Facilities by eliminating this credit effective for tax years ending on or before June 30, 2017. This measure further proposes to enact 68 O.S. § 2357.32A-1 which would require annual reporting to the Oklahoma Tax Commission by taxpayers who claim the Credit for Electricity Generated by Zero-Emission Facilities.

This measure proposes to amend 68 O.S. § 2357.32A by allowing this tax credit only for tax years ending not later than June 30, 2017.<sup>1</sup> This measure moves up the date the facilities must be placed in service to qualify for the credit from January 1, 2021 to June 30, 2017. This measure further proposes to limit the amount of credits that may be used to offset tax or refunded to not exceed \$15 million per fiscal year (beginning with FY18) until all tax credits which have been earned through electric power production from a zero-emission facility prior to July 1, 2017, have been fully utilized either to reduce a tax liability or refunded.

Further, this measure proposes to enact a new law requiring any taxpayer who claims a tax credit for electric power produced from a zero-emission facility to file an annual report with the Oklahoma Tax Commission which summarizes the total amount of electric power produced from any and all facilities owned by the taxpayer within the state for the year prior to the year in which the report is filed. The summary will include the amount of electric power produced each month by each zero-emission facility device owned by the taxpayer, whether the device is related to solar energy, wind energy, hydroelectric power or geothermal energy, and which is capable of producing electric power.

The timing of which tax years are affected and how the fiscal cap of \$15 million applies to the tax years is still under review. At this time the fiscal impact of this proposed measure is unknown.

Prepared By: Mark Tygret

### **Other Considerations**

<sup>1</sup> As currently drafted, it is assumed that tax year 2016 is the last tax year not affected by can.

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