

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

<b>Bill No.:</b>	<b>HB 2246</b>
<b>Version:</b>	<b>FULLPCS1</b>
<b>Request Number:</b>	<b>6794</b>
<b>Author:</b>	<b>Rep. Brumbaugh</b>
<b>Date:</b>	<b>2/28/2017</b>
<b>Impact:</b>	<b>Tax Commission:</b>
	<b>Savings Achieved FY-20 and Beyond</b>

**Research Analysis**

Please see previous summary of this measure.

Prepared By: Marcia Goff

**Fiscal Analysis**

From the Tax Commission:

The Proposed Committee Substitute for HB 2246 proposes to amend 68 O.S. §2357.32A relating to the Credit for Electricity Generated by Zero-Emission Facilities by 1) limiting the credit to tax years ending no later than December 31, 2020, 2) changing the date the facility must be placed in service from before January 1, 2021 to before January 1, 2018 and 3) reducing the credit calculation as follows:

- a. \$0.003 per kilowatt hour for electricity generated on or after 1/1/18 and not later than 12/31/18.
- b. \$0.002 per kilowatt hour for electricity generated on or after 1/1/19 and not later than 12/31/19.
- c. \$0.001 per kilowatt hour for electricity generated on or after 1/1/20 and not later than 12/31/20.
- d. \$0.00 per kilowatt hour for electricity generated on or after January 1, 2021.

Under current law an income tax credit is allowed based on the amount of electricity generated by a qualified zero-emission facility. Credits earned prior to January 1, 2014, are transferable and any unused credit may be carried over for a period of ten (10) years. For credits earned on or after January 1, 2014, any credit earned but not used shall be refunded at an amount equal to eighty-five percent (85%) of the amount of the credit. The credit is fifty one-hundredths of one cent (\$0.0050) for each kilowatt-hour of electricity generated by zero-emission facilities and is available for a period of ten years.

	FY19	FY20	FY21	FY22	FY23 thru FY32
Credits Paid (current law)	\$65,194,000	\$65,194,000	\$65,194,000	\$65,194,000	\$65,194,000
Credits paid - Phased in rate reduction <sup>1</sup>					
2018		\$39,116,400			
2019			\$26,077,600		
2020				\$13,038,800	
2021-2030					-0-
Savings	-0-	\$26,077,600	\$39,116,400	\$52,155,200	\$65,194,000

Prepared By: Mark Tygret

## **Other Considerations**

<sup>1</sup> Credits earned for payment in FY20 are from tax year 2018 returns. Credits earned for payment in FY21 are from tax year 2019 returns. Credits earned for payment in FY22 are from tax year 2020 returns.

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