## **BILL SUMMARY**

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

Bill No.: HB 2246
Version: FULLPCS1
Request Number: 6794

Author: Rep. Brumbaugh

Date: 2/28/2017 Impact: Tax Commission:

Savings Achieved FY-20 and Beyond

## **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:

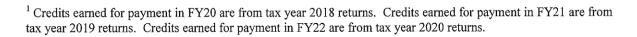
- a. \$0.003 per kilowatt hour for electricity generated on or after 1/1/18 and not later than 12/31/18.
- b. \$0.002 per kilowatt hour for electricity generated on or after 1/1/19 and not later than 12/31/19.
- c. \$0.001 per kilowatt hour for electricity generated on or after 1/1/20 and not later than 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<br>FY32 |
|-------------------|---------------------|-------------------|--------------|--------------|-------------------|
| Credits Paid      |                     |                   |              |              |                   |
| (current law)     | \$65,194,000        | \$65,194,000      | \$65,194,000 | \$65,194,000 | \$65,194,000      |
| Credits paid - Ph | ased in rate reduct | tion <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**



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