

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	HB 2298
Version:	CS
Request Number:	6913
Author:	Mr. Speaker
Date:	3/1/2017
Impact:	Tax Commission:

No Short-Term Impact

Potential Revenue Increase FY-28 and Beyond

Research Analysis

The committee substitute for HB2298 modifies a tax credit for electricity generated by zero-emission facilities. The measure changes the date in which assets must be placed in operation by to July 1, 2017. Currently, assets placed in operation prior to January 1, 2021 are eligible for the credit.

Prepared By: Quyen Do

Fiscal Analysis

From the Tax Commission:

The Proposed Committee Substitute for HB 2298 proposes to amend 68 O.S. §2357.32A relating to the Credit for Electricity Generated by Zero-Emission Facilities, with respect to electricity generated by wind, by moving up the date facilities must be placed in operation to qualify for the credit to not later than July 1, 2017.

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 (10) years. Facilities must be placed in service before January 1, 2021.

This measure proposes to amend 68 O.S. §2357.32A by moving up the date facilities must be placed in operation, with respect to electricity generated by wind, to qualify for the credit to not later than July 1, 2017.

This change should have no short term impact on income tax collections. The first tax year affected by the change to the placed in service date is 2027. The potential increase in income tax collections would occur in FY28.

Prepared By: Mark Tygret

Other Considerations

None.

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