

Revenue impact for proposed Floor Substitute for HB 1019xx (Req. No. 43xx)

The proposed Floor Substitute for HB 1019xx (Req. No. 43xx) proposes to amend 68 O.S. §2357.32A relating to the Credit for Electricity Generated by Zero-Emission Facilities by eliminating the refundable aspect of the credit beginning with tax year 2019. The elimination of the refundable aspect applies only to the credit based on the production of electricity by wind.

Preliminary calendar year 2016 data for this credit shows \$70.3 million was refunded and \$3.7 million was used to offset tax. An analysis of the preliminary 2016 refunds shows that \$6.9 million in refund claims were processed prior to July 1, 2017. Assuming similar refundable tax credit amounts and filing date patterns for tax year 2019 most of the impact for tax year 2019 will occur on or after July 1, 2020. Therefore, there is a projected increase in income tax collections of \$6.9 million in FY20 and the full impact of an estimated increase in income tax collections of \$70.3 million should occur in FY21.