

OKLAHOMA TAX COMMISSION

FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-SIXTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: February 15, 2018

BILL NUMBER: SB 1035 **STATUS AND DATE OF BILL:** Introduced 1/16/18

AUTHORS: House n/a Senate Thompson

TAX TYPE (S): Income Tax **SUBJECT:** Credit

PROPOSAL: Amendatory

SB 1035 proposes to amend 68 O.S. §2357.32A relating to the Credit for Electricity Generated by Zero-Emission Facilities by placing an annual cap of \$5 million on the refundable portion of the credit from non-wind zero emission sources beginning with tax year 2018.

EFFECTIVE DATE: November 1, 2018

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 19: -0-
FY 20: Unknown

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 19: None

Feb. 16, 2018
DATE

Rick Miller
DIVISION DIRECTOR

mck

2-16-18
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2-16-18
DATE

Jimmy Mott
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - SB 1035 [Introduced] Prepared February 15, 2018

SB 1035 proposes to amend 68 O.S. §2357.32A relating to the Credit for Electricity Generated by Zero-Emission Facilities¹ by placing an annual cap of \$5 million on the refundable portion of the credit from non-wind zero emission sources beginning with tax year 2018.

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.

This measure proposes to cap the refundable credits based on electricity from non-wind zero emission sources to \$5 million for tax year 2018. Through tax year 2016 no refund claims have been filed for non-wind zero emission sources. The impact of the proposed cap is therefore unknown.

¹ One of the eligibility requirements for this credit is that electricity must be generated by an eligible renewable resource. Eligible renewable resources are defined as: wind, moving water, sun, or geothermal energy.