

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 25, 2018

BILL NUMBER: SB 1276 **STATUS AND DATE OF BILL:** Introduced 1/18/18

AUTHORS: House n/a Senate Smalley

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

PROPOSAL: Amendatory

SB 1276 proposes to amend 68 O.S. § 2357.32A which relates to the Credit for Electricity Generated by Zero-Emission Facilities by enacting the *Zero Emission Tax Credit Transparency Act of 2018*. This measure would require monthly reporting to the Oklahoma Tax Commission.

EFFECTIVE DATE: January 1, 2019

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: -0-

ADMINISTRATIVE IMPACT:

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

FY 19: None

Jan. 29, 2018
DATE

Rick Miller
DIVISION DIRECTOR

mck

1-30-18
DATE

Reece Womack
REECE WOMACK, ECONOMIST

1-30-18
DATE

Imy White
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - SB 1276 [Introduced] Prepared January 25, 2018

SB 1276 proposes to amend 68 O.S. § 2357.32A which relates to the Credit for Electricity Generated by Zero-Emission Facilities by enacting the *Zero Emission Tax Credit Transparency Act of 2018*. This measure would require monthly reporting to the Oklahoma Tax Commission.

Under current law entities that generate and sell electricity from zero-emission facilities are allowed an income tax credit for the electricity generated and sold. The credit is fifty one-hundredths of one cent (\$0.0050) for each kilowatt-hour of electricity generated and sold by zero-emission facilities.

Based upon this proposal, on or after January 1, 2019, every taxpayer claiming the Credit for Electricity Generated by Zero-Emission Facilities will be required to report the following to the Oklahoma Tax Commission on a monthly basis for each turbine:

1. The amount of electricity produced.
2. The amount of electricity sold to a purchasing utility, public power authority, electric cooperative or any other purchaser.
3. The price per kilowatt-hour of electricity sold at the time of sale.
4. The name of the entity purchasing electricity.

The monthly reports required by this measure will be due no later than fifteen (15) days after the last day of the prior month and must be signed and notarized by the owner or representative of the owner of the facility producing electricity. If the report is not timely submitted, the electricity produced during the month for which the report is delinquent will not be eligible for the Credit for Electricity Generated by Zero-Emission Facilities. Under current law, no monthly reporting to the Oklahoma Tax Commission is required for taxpayers claiming the Credit for Electricity Generated by Zero-Emission Facilities.

No increase or decrease to income tax collections is anticipated as a result of this measure.