

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: February 1, 2017

BILL NUMBER: SB 622 STATUS AND DATE OF BILL: Introduced 1/19/17

AUTHORS: House n/a Senate Schulz

TAX TYPE (S): Income Tax SUBJECT: Credit

PROPOSAL: Amendatory

SB 622 proposes to amend 68 O.S. §2357.32A relating to the Credit for Electricity Generated by Zero-Emission Facilities. For facilities (with respect to electricity generated by wind) placed in operation not later than December 31, 2018, construction on these facilities must commence on or before December 31, 2017.

EFFECTIVE DATE: November 1, 2017

REVENUE IMPACT:

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

FY 18: -0-

FY 19: -0-

FY 29: Unknown increase in income tax collections

ADMINISTRATIVE IMPACT:

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

FY 18: -0-

Feb. 11, 2017
DATE

Rick Miller
DIVISION DIRECTOR

mck

2-11-17
DATE

Reece Womack
REECE WOMACK, ECONOMIST

2/11/17
DATE

Don Carr
FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT - SB 622 [Introduced] Prepared February 1, 2017

SB 622 proposes to amend 68 O.S. §2357.32A relating to the Credit for Electricity Generated by Zero-Emission Facilities. For facilities (with respect to electricity generated by wind) placed in operation not later than December 31, 2018, construction on these facilities must commence on or before December 31, 2017¹.

Under current law an income tax credit is allowed based on the amount of electricity generated by a qualified zero-emission facility². 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 (with respect to electricity generated by wind) must be placed in operation to qualify for the credit to not later than December 31, 2018 with construction on these facilities to commence on or before December 31, 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 2028. The potential increase in income tax collections would occur in FY29.

¹ It is unclear what effect this measure has on facilities (with respect to electricity generated by wind) placed in service on or before 12/31/18 for which construction commenced after 12/31/17.

² Zero-emission facilities eligible for the credit must produce electricity from eligible renewable resources - wind, moving water, the sun, or geothermal energy.