

# OKLAHOMA TAX COMMISSION

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

**DATE OF IMPACT STATEMENT:** February 16, 2018

**BILL NUMBER:** SB 942 **STATUS AND DATE OF BILL:** Introduced 1/4/18

**AUTHORS:** House n/a Senate Quinn

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

**PROPOSAL:** Amendatory

SB 942 proposes to amend the income tax credit for electricity generated by zero-emission facilities (68 O.S. §2357.32A) with respect to electricity generated from the sun, by moving up the date a qualified facility must be placed in operation to qualify for the credit to not later than December 31, 2018.

**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

Feb. 17, 2018  
DATE

Rick Miller  
DIVISION DIRECTOR

mck

2-17-18  
DATE

Reece Womack  
REECE WOMACK, ECONOMIST

2-17-18  
DATE

Jimmy McInt  
FOR THE COMMISSION

## **ATTACHMENT TO FISCAL IMPACT - SB 942 [Introduced] Prepared February 16, 2018**

SB 942 proposes to amend the income tax credit for electricity generated by zero-emission facilities<sup>1</sup> (68 O.S. §2357.32A) with respect to electricity generated from the sun, by moving up the date a qualified facility must be placed in operation to qualify for the credit to not later than December 31, 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 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 (\$.0050) for each kilowatt-hour of electricity generated by zero-emission facilities and is available for a period of ten years. With respect to electricity generated by wind, the facility must be placed in operation not later than July 1, 2017. With respect to electricity generated by moving water, sun, or geothermal energy, the facility must be placed in operation not later than December 31, 2020.

This measure proposes to modify the date facilities must be placed in operation to qualify for the credit, with respect to electricity generated by the sun, to no later than December 31, 2018.

This change should have no short term impact on income tax collections.<sup>2</sup>

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<sup>1</sup> 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.

<sup>2</sup> Through tax year 2016 no refund claims have been filed for non-wind zero emission sources.