

**BILL SUMMARY**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1234</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>5103</b>
<b>Author:</b>	<b>Rep. McBride</b>
<b>Date:</b>	<b>2/17/2019</b>
<b>Impact:</b>	<b>Tax Commission:</b>
	<b>Estimated Revenue Increase</b>
	<b>FY-20: \$17.7 Million</b>
	<b>FY-21: \$23.6 Million</b>
	<b>Potential Administrative Costs to OTC</b>

**Research Analysis**

HB1234, as introduced, creates the Oklahoma Zero-Emission Facility, Energy Tax Act of 2019. The measure creates a production tax on electricity generated in the state by a zero-emission facility at the rate of \$1 per megawatt hour. The owners of a commercial wind turbine or zero-emission facility subject to the tax will be required to remit the tax monthly to the Oklahoma Tax Commission, provided any late payments will result in a 10 percent penalty.

The measure is a revenue raising measure and directs revenue from the tax to go to the General Revenue Fund.

Prepared By: Quyen Do

**Fiscal Analysis**

Analysis provided by the Tax Commission:

Data from the Energy Information Agency<sup>2</sup> shows that for 2017, 23.6 million megawatt hours of electricity were produced from wind and other renewable resources in Oklahoma for commercial purposes. Assuming similar levels on an annual basis going forward, an estimated \$23.6 million of revenue is expected. With this measure effective August 30, 2019, energy produced on or after August 31, 2019 would be subject to the proposed levy with the first remittance of tax due October 20, 2019. This would result in nine (9) months of remittances (estimated at \$17.7 million) for FY20 and an estimated \$23.6 million in remittances in FY21<sup>3</sup>.

<sup>2</sup> Electricity Data Browser Net Generation for Wind Annual 2017  
<https://www.eia.gov/electricity/data/browser/#/topic/0?agg=1>

<sup>3</sup> No growth in electricity production was factored into this analysis.

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**Other Considerations**

None.

