

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: January 31, 2011

BILL NUMBER: HB 1630 STATUS AND DATE OF BILL: Introduced 1/9/11

AUTHORS: House Brown Senate n/a

TAX TYPE (S): Quality Jobs SUBJECT: Other

PROPOSAL: Amendatory and New Law

HB 1630 proposes to enact the Green Quality Jobs Act of 2011. This would amend the Oklahoma Quality Jobs incentive by adding establishments that are classified in the North American Industrial Classification System (NAICS) Manual under a variety of Industry Group Numbers relating to solar power, wind power and compressed natural gas power as a basic industry eligible for the incentive.

EFFECTIVE DATE: July 1, 2011 - Emergency

REVENUE IMPACT:

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

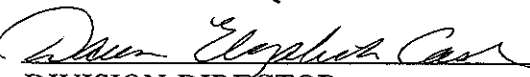
FY 12: None

FY 13: None

ADMINISTRATIVE IMPACT:

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

FY 12: None

<u>2/6/11</u> DATE	<u></u> DIVISION DIRECTOR	<u>mck</u>
<u>2/7/11</u> DATE	<u></u> REECE WOMACK, ECONOMIST	
<u>2/7/11</u> DATE	<u></u> FOR THE COMMISSION	

HB 1630 proposes to enact the Green Quality Jobs Act of 2011. This would amend the Oklahoma Quality Jobs incentive by adding establishments that are classified in the North American Industrial Classification System (NAICS) Manual under a variety of Industry Group Numbers relating to solar power, wind power and compressed natural gas power as a basic industry eligible for the incentive. The following establishments would be added to the Oklahoma Quality Jobs incentive, eligible for a five percent (5%) net benefit rate.

- Establishments that are classified in the North American Industrial Classification System (NAICS) Manual under Industry Group Number 221119 - solar electric power generation or wind electric power generation¹.
- Establishments that are classified in the North American Industrial Classification System (NAICS) Manual under Industry Group Number 237130 - solar power structure construction or wind power structure construction².
- Establishments that are classified in the North American Industrial Classification System (NAICS) Manual under Industry Group Number 333414 - solar energy heating equipment manufacturing³.
- Establishments that are classified in the North American Industrial Classification System (NAICS) Manual under Industry Group Number 333611 - wind-powered turbine generator set manufacturing⁴.
- Establishments that are classified in the North American Industrial Classification System (NAICS) Manual under Industry Group Number 334413- solar cells manufacturing⁵.
- Any business primarily engaged in the production and manufacture of passenger or commercial motor vehicles powered by compressed natural gas.
- Any business primarily engaged in the conversion of passenger or commercial motor vehicles using conventional gasoline or diesel combustion engines to a propulsion system using compressed natural gas.
- Any business engaged in the manufacture of components that can be used for a compressed natural gas fill station.

No reduction in revenue is anticipated as a result of this proposal due to the revenue neutral features of the Quality Jobs Incentive Act.

¹This U.S. industry comprises establishments primarily engaged in operating electric power generation facilities (except hydroelectric, fossil fuel, nuclear). These facilities convert other forms of energy, such as solar, wind, or tidal power, into electrical energy. The electric energy produced in these establishments is provided to electric power transmission systems or to electric power distribution systems.

²This industry comprises establishments primarily engaged in the construction of power lines and towers, power plants, and radio, television, and telecommunications transmitting/receiving towers. The work performed may include new work, reconstruction, rehabilitation, and repairs. Specialty trade contractors are included in this group if they are engaged in activities primarily related to power and communication line and related structures construction. All structures (including buildings) that are integral parts of power and communication networks (e.g., transmitting towers, substations, and power plants) are included.

³This U.S. industry comprises establishments primarily engaged in manufacturing heating equipment (except electric and warm air furnaces), such as heating boilers, heating stoves, floor and wall furnaces, and wall and baseboard heating units.

⁴This U.S. industry comprises establishments primarily engaged in manufacturing turbines (except aircraft); and complete turbine generator set units, such as steam, hydraulic, gas, and wind.

⁵This U.S. industry comprises establishments primarily engaged in manufacturing semiconductors and related solid state devices. Examples of products made by these establishments are integrated circuits, memory chips, microprocessors, diodes, transistors, solar cells and other optoelectronic devices.