OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: November 3, 2017

BILL NUMBER: SB 14X **STATUS AND DATE OF BILL:** Introduced 9/25/17

AUTHORS: House n/a Senate Breechen

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

PROPOSAL: Amendatory

SB 14X proposes to amend the income tax credit for electricity generated by zero-emission facilities (68 O.S. § 2357.32A) by eliminating the refundable aspect of unused credits, for electricity generated by wind, for tax years beginning on or after January 1, 2018.

EFFECTIVE DATE: January 1, 2018

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: $5,500,000 increase in income tax collections.
FY 20: $54,600,000 increase in income tax collections.

ADMINISTRATIVE IMPACT:

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

FY 18: No anticipated administrative cost to the Oklahoma Tax Commission.

11/6/17 — Joseph P. Gappa
DATE — DIVISION DIRECTOR

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11/7/17 — Reece Womack
DATE — REECE WOMACK, ECONOMIST

11/7/17 — Tony Mastin
DATE — FOR THE COMMISSION

ATTACHMENT TO FISCAL IMPACT – SB14X [Introduced] Prepared November 3, 2017

SB 14X proposes to amend the income tax credit for electricity generated by zero-emission facilities (68 O.S. § 2357.32A) by eliminating the refundable aspect of unused credits, for electricity generated by wind, for tax years beginning on or after January 1, 2018.

Under current law, an income tax credit is allowed based on the amount of electricity generated by a qualified zero-emission facility. The credit is available for ten (10) years after the qualified zero-emission facility is placed in service and the qualified facility must be placed in service before January 1, 2021. 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 estimated fiscal impact is no change to income tax collections for FY18 and for FY19 an estimated increase in income tax collections of $5.5 million. There is an estimated increase in income tax collections of $54.6 million for FY20.