

**FISCAL NOTE**

	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue increase			
GENERAL FUND	\$4,920,000	\$9,840,000	\$9,840,000
PERM. MINERAL TRUST FUND	\$1,640,000	\$3,280,000	\$3,280,000

Source of revenue increase:

Increase in the tax rate applied to the production of electricity from wind resources of \$3.00 per megawatt hour

Assumptions:

The above estimate is based on the tax on 2016 wind production collected in FY 2017, rounded to the nearest \$10,000. The calendar year 2016 megawatt hours of 4,375,064 reported in 2017 are assumed to remain at the same levels throughout the estimate period.

The bill is effective July 1, 2018. The increased tax rate will apply to the megawatt hours produced in the second half of calendar year 2018, resulting in a revenue increase estimated in FY 2019 at one-half of the amount estimated in FY 2020 and FY 2021.

Under current law, electricity produced from a wind turbine is not subject to the current \$1.00 per megawatt hour wind generation tax until three years after the turbine first produced electricity for sale. This bill repeals this three-year exemption. Since taxpayers do not report the megawatt hours related to this exemption, the Department of Revenue cannot determine the fiscal impact of the repeal of this exemption. However, this three-year exemption would still apply to any turbine that first produced electricity for sale prior to the July 1, 2018 effective date of this bill.

Prepared by: Dean Temte, LSO Phone: 777-7881  
 (Information provided by Kim E. Lovett, Department of Revenue, 777-5220)