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## The Tax Credit Moratorium: What it would mean for wind

By [Miles Tolbert](#)

Atty Miles Tolbert writes the blog "Green in Black & White." See his and all our blogs at [journalrecord.com/blog-hub](http://journalrecord.com/blog-hub).

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Tough budget times have created a battle of the greens — the kind that grows on trees versus the kind that most decidedly does *not* grow on trees.

Last week, [the Legislature approved](#) SB 1267 which would impose a two-year moratorium on twenty-seven tax credits, including those for electricity generated by zero-emission facilities. The bill includes an emergency clause that would allow it to take effect as soon as the governor signs it.

Since 2001, state law has provided a \$.0025-\$.0075 credit per kilowatt-hour for electricity generated by zero-emission facilities depending on when the facilities began operating. Zero-emission facilities are those that have a rated production capacity of one megawatt or greater, are constructed for the generation of electricity, and utilize eligible renewable resources as their fuel source. These renewable resources include wind, hydropower, solar, and geothermal energy.

The State Chamber has [announced its opposition](#) to attempts to eliminate tax credits, such as the zero-emission facility tax credit, that are intended to serve as economic development incentives for existing and new business.

“If these exemptions aren’t proving useful or they’re outdated, they don’t need them to be there, but it shouldn’t be a witch hunt,” said Ron Cupp, senior vice president for government affairs with The State Chamber of Oklahoma. “It shouldn’t be hanging targets on the backs of business.”

Cupp’s fears may have already been realized. It appears that there at least two separate wind projects that have elected not to go forward in light of the moratorium.

Furthermore, some anticipate that the suspension will prevent the state from meeting its renewable energy portfolio goals.

Yesterday Governor Henry signed the Oklahoma Energy Security Act to encourage the use of clean energy sources, such as wind and natural gas. The Act challenges the state to derive 15 percent of its electricity production from renewable energy sources by 2015. Opponents of the tax credit moratorium [argue](#) that the moratorium would hamstring the state’s ability to meet this newly-adopted goal.

Proponents argue a moratorium on the credit given to zero-emission facilities would save the state money. In tax years 2007 and 2008, approximately 30 taxpayers received zero-emission credits totaling more than [\\$1.5 million](#).

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