

**State Corporation Commission  
2007 Fiscal Impact Statement**

**1. Bill Number** HB3153

**House of Origin**    ☐ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☒ Enrolled

**2. Patron**        Nixon

**3. Committee**    Passed Both Houses

**4. Title**            Income tax; public utilities.

**5. Summary/Purpose:** Income tax; public utilities. Directs that the State Corporation Commission apply the applicable statutory tax rate as if the public utility filed state and federal income tax returns on a stand-alone basis, without regard to the operations of its affiliates, when calculating tax expense for ratemaking purposes.

**6. Fiscal Impact:** Not available. See Item # 8.

**7. Budget amendment necessary:** No

**8. Fiscal implications:** There will not be a fiscal impact on the State Corporation Commission. However, the legislation may result in increased electric, gas, and water utility rates as the Commission will be prohibited from reducing such utilities' tax liability to its portion of the actual tax amounts paid to taxing authorities. The effect will vary by utility.

**9. Specific agency or political subdivisions affected:** State Corporation Commission

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 03/12/07 / sdl

cc: Secretary of Commerce and Trade