

**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 House and Communicated to Senate

4. Title Income tax; public utilities.

5. Summary/Purpose: Income tax; public utilities. Directs the State Corporation Commission, when it determines the cost of service in rates, to apply the applicable tax rate as if the public utility filed an income tax return on a stand-alone basis, without regard to the operations of its affiliates.

6. Fiscal Impact: 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 and gas 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: None noted.

11. Other comments: None.

Date: 02/03/07 / sdl

cc: Secretary of Commerce and Trade