

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	HB 2805
Version:	CS
Request Number:	7813
Author:	Rep. Pfeiffer
Date:	3/8/2021
Impact:	Tax Commission

Ad Valorem Revenue Impact:
Unknown

Research Analysis

The committee substitute for HB 2805 deletes the requirement that livestock owned by a general partnership, limited partnership, corporation, limited liability corporation, estate, trust or other lawfully recognized entity must have the primary purpose of conferring economic benefits of such ownership on two or more members of the same family in order to qualify for an ad valorem tax exemption.

Prepared By: Emily McPherson

Fiscal Analysis

Review provided by the Tax Commission:

Currently, livestock owned by a general partnership, limited partnership, corporation, limited liability company, estate, trust or other lawfully recognized entity the primary purpose of which is to confer the economic benefits derived from the ownership of the livestock on two or more members of the same family and not any persons who are not members of the same family, whether such members are related by consanguinity or affinity, shall be deemed livestock employed in support of the family, and as such shall be exempt from ad valorem taxation. Currently, livestock of a business is considered inventory and taxed as such.

The PCS for HB 2805 proposes to remove the criteria regarding the primary purpose of such entities so that all livestock owned by a general partnership, limited partnership, corporation, limited liability company, estate, trust or other lawfully recognized entity shall be deemed to be livestock employed in support of the family and exempt from ad valorem taxation. This exemption would require a vote of the people as required in Article 10 Section 6 (B) of the Oklahoma Constitution.

There is an unknown fiscal impact to the counties associated with the PCS for HB 2805. However, there is no impact to state revenues. There is no administrative impact associated with this measure.

Prepared By: Mark Tygret

Other Considerations

None.

