

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2805</b>
<b>Version:</b>	<b>SAHB</b>
<b>Request Number:</b>	<b>NA</b>
<b>Author:</b>	<b>Rep. Pfeiffer</b>
<b>Date:</b>	<b>5/3/2021</b>
<b>Impact:</b>	<b>Tax Commission</b>

**Ad Valorem Revenue Impact:**  
**Unknown**

**Research Analysis**

Pending

Prepared By: House Research Staff

**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.

The Senate amendments include a provision where animals owned wholly or in part by a publically traded corporation or a corporation incorporated in a state other than this state will not qualify for the exemption as livestock employed in support of the family.

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.

