

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT
SECOND REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: April 1, 2021

BILL NUMBER: HB 2805 STATUS AND DATE OF BILL: Engrossed Bill 3/9/2021

AUTHORS: House Pfeiffer Senate Paxton

TAX TYPE (S): Ad Valorem SUBJECT: Administrative

PROPOSAL: Amendatory

HB 2805 proposes to amend 68 O.S. § 2807.1 modifying the exemption for livestock from ad valorem taxation.

EFFECTIVE DATE: November 1, 2021

REVENUE IMPACT:

FY 21: Unknown Impact to Local Ad Valorem Tax Revenues

April 1, 2021
DATE

Rick Miller
DIVISION DIRECTOR

KLS

4/1/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

4/2/21
DATE

[Signature]
FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

ATTACHMENT TO REVENUE IMPACT HB 2805 [Engrossed] Prepared April 1, 2021

HB 2805 proposes to amend 68 O.S. § 2807.1 modifying the exemption for livestock from ad valorem taxation.

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.

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 HB 2805. However, there is no impact to state revenues. There is no administrative impact associated with this measure.