

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	SB961
Version:	ENGR
Request Number:	
Author:	Rep. Dempsey
Date:	4/6/2023
Impact:	OTC Analysis:
	FY24: Unknown revenue decrease
	FY25: Unknown revenue decrease

Research Analysis

Engrossed SB961 modifies the definition of *agricultural products*, as it relates to the agriculture sales tax exemption, to include timber. The measure also defines the terms *farm* or *farming* to include the production of timber, seedling production and forestry management.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, SB961 includes the production of timber, seedling production, and forestry management in the list of agricultural products that are qualify for a sales tax exemption. The Oklahoma Tax Commission provides the following regarding the fiscal impact of the bill:

As of January 1, 2022, sales of commercial forestry service equipment, limited to forwarders, fellers, bunchers, track skidders, wheeled skidders, hydraulic excavators, delimiters, soil compactors and skid steer loaders, to businesses engaged in logging, timber and tree farming were made exempt pursuant to the passage of HB 1588. Therefore, a large portion of heavy equipment associated with the timber industry is currently exempt from sales tax. However, the amount of land that is currently being used for timber production, seedling production, and forestry management is unknown as are the number of new agricultural permit holders that are to be exempted by this measure. Consequently, an unknown decrease in state sales tax revenues is estimated for FY 24 and FY 25.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.