

BILL SUMMARY
1st Session of the 60th Legislature

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| Bill No.: | HB1242 |
| Version: | Introduced |
| Request Number: | 11267 |
| Author: | Rep. Strom |
| Date: | 2/14/2025 |
| Impact: | FY26: \$92,000 decrease in revenue FY27: \$160,000 decrease in revenue |

Research Analysis

HB1242, as introduced, extends the agricultural sales tax exemption permit to deer farmers by adding cervidae to the definition of *livestock*.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB1242 allows deer farmers to qualify for the sales tax exemption for agriculture.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT

FY26: Estimated decrease of \$92,000 in state sales tax.

FY27: Estimated decrease of \$160,000 in state sales tax.

ANALYSIS: The measure adds the term "cervidae" to the definition of "livestock" in Section 1358(2) of Title 68, which will allow deer farmers to qualify for the sales tax exemption for agriculture.

Based upon information previously received from industry sources, the proposal would result in a decrease of about \$63,000 in state sales tax revenue from the sale of cervids within the state in FY26, and \$110,000 in FY27.

Based upon expenditure information provided by industry sources, and assuming there are 50 farms statewide, the average monthly taxable expenditures for this industry is \$88,000 per month. This equates to an annual estimated decrease of \$29,000 in state sales tax revenues for FY26, and \$50,000 in FY27.

The combined impact of sales tax exemptions on cervid sales and on taxable goods used in their production for eligible farms is projected to reduce state sales tax revenues by \$92,000 in FY26 and \$160,000 in FY27.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

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