



BILL/VERSION:	SB 1121 / FLOOR AMENDMENT	ANALYST: EC
AUTHORS:	Sen. Deevers	DATE: 3/6/2025
TAX(ES):	Ad Valorem Tax	
SUBJECT(S):	Elimination Committee	
EFFECTIVE DATE:	November 1, 2025	Emergency <input type="checkbox"/>

ESTIMATED REVENUE IMPACT:

FY26: None.

FY27: None.

ANALYSIS: SB 1121 establishes the Joint Interim Committee on the Elimination of Ad Valorem Taxes, composed of ten members, five from the Senate, five from the House, designated by legislative leadership. The committee will study and evaluate alternative taxation methods to replace the annual local tax revenue lost from eliminating ad valorem taxes. The committee is subject to the Oklahoma Open Meetings Act and will convene at the joint call of the co-chairs. It will assess potential replacements for local tax revenue, the impact on political subdivisions, tax rates, redistribution mechanisms, and implementation concerns. State agencies and political subdivisions must provide data and assistance upon request. Committee members will receive travel reimbursement under the State Travel Reimbursement Act¹ and the Senate will provide staff. The final report is due July 1, 2028, and will be posted on the Senate’s website. The committee will dissolve January 1, 2030. The bill takes effect November 1, 2025², and does not affect state or local tax collections. However, it is relevant to note that ad valorem taxes provide roughly **\$5 billion in annual tax revenue to local jurisdictions**.

ADMINISTRATIVE IMPACT: This proposal may have an administrative impact on the Oklahoma Tax Commission. We are currently assessing the extent of the impact and evaluating the associated costs.

¹ The Senate Floor version of SB 1121 did not include the travel reimbursement provisions that are now included in the amended floor version of SB 1121.

² The Senate Floor version of SB 1121 was conditional upon the passage of a state question, as proposed by Enrolled SJR 12, to authorize the assessment.

3/7/25

DATE

Huan Gong
DR. HUAN GONG, CHIEF TAX ECONOMIST

3/11/25

DATE

Marie Schuble
MARIE SCHUBLE, DIVISION DIRECTOR

3/11/25

DATE

Joseph P. Gappa
JOSEPH P. GAPPA, 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.