



BILL/VERSION:	SB 688 / INTRODUCED	ANALYST: EC
AUTHORS:	Sen. Hall	DATE: 2/3/2025
TAX(ES):	Ad Valorem Tax	
SUBJECT(S):	Manufacturing Exemptions	
EFFECTIVE DATE:	July 1, 2025	Emergency <input checked="" type="checkbox"/>

ESTIMATED REVENUE IMPACT:
FY26: \$932,000 decrease in state-apportioned revenue.
FY27: Unknown.

ANALYSIS: SB 688 amends 68 O.S. § 2902, modifying ad valorem tax exemptions for manufacturing facilities by adjusting payroll requirements, granting exceptions for certain industries, and updating eligibility criteria and investment thresholds. It also enhances compliance verification and includes an emergency provision for immediate implementation.

To qualify for the payroll waiver, an application must be filed in 2025 and must be for a continuation of an existing five-year exemption period—not a new initial application. Additionally, the original exemption application must have been filed between January 1, 2020, and March 16, 2021, meaning it covers assets acquired in either 2019 or 2020. As a result, only those applicants whose exemptions are reaching their final (fifth) year in 2025 will benefit from the payroll requirement waiver.

Because the waiver does not apply to new applicants and is limited to one year, the fiscal impact is expected to be contained within FY26.

<u>2/28/25</u>	<u>Huan Gong</u>
DATE	DR. HUAN GONG, CHIEF TAX ECONOMIST
<u>3/3/25</u>	<u>Marie Schuble</u>
DATE	MARIE SCHUBLE, DIVISION DIRECTOR
<u>3/3/25</u>	<u>Joseph P. Gappa</u>
DATE	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.