



# MEMO

Tax Policy and Research Division

DATE: FEBRUARY 26, 2021

TO: RICK MILLER, DIRECTOR *RYM*  
TAX POLICY & RESEARCH DIVISION

FROM: CHRISTY CAESAR  
TAX POLICY & RESEARCH DIVISION

SUBJECT: SB 906 [PROPOSED COMMITTEE SUBSTITUTE]

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This is in response to your request for a revenue impact for the Proposed Committee Substitute for SB 906 which proposes amendment to Section 2817 of Title 68 of the Oklahoma Statutes by providing that if any inventory on hand of persons primarily engaged in selling lumber and other building materials<sup>1</sup> has been assessed in the preceding calendar year, such inventory shall be considered stagnant and the value of such inventory shall be depreciated by twenty percent for purposes of the current year assessment.

The introduced version of SB 906 provided for depreciation of fifty percent for inventory deemed stagnant.

The amendatory language in Proposed Committee Substitute for SB 906 does not impact state tax revenues. The impact to local ad valorem tax revenues is unknown.

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<sup>1</sup> Excludes home centers classified under Industry No. 444110 of the North American Industrial Classification System (NAICS) Manual.

