

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 HOUSE BILL 3178

By: Archer

6 AS INTRODUCED

7 An Act relating to revenue and taxation; creating  
8 depreciation schedule for farm equipment and farm  
9 tractors for purposes of ad valorem taxation;  
10 defining terms; requiring the fair cash value to  
11 depreciate by certain percentage each year;  
12 prescribing amount of depreciation; providing  
13 presumption of fair cash value; requiring the  
14 Oklahoma Tax Commission to promulgate rules and forms  
15 as may be necessary; providing for codification; and  
16 providing an effective date.

17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. NEW LAW A new section of law to be codified

19 in the Oklahoma Statutes as Section 2817.4 of Title 68, unless there  
20 is created a duplication in numbering, reads as follows:

21 A. As used in this act:

22 1. "Farm equipment" means any farm tractor, utility task  
23 vehicle (UTV), or vehicle that does not meet the definition in  
24 Section 2809 of this title so long as it is used in agricultural  
production on a farm or ranch that is owned, leased, or operated by  
the owner of such equipment. This definition shall also include any

1 other personal property as defined by Section 2807 of this title so  
2 long as it is used in agricultural production on a farm or ranch  
3 that is owned, leased, or operated by the owner of such equipment;  
4 and

5 2. "Farm tractor" means farm tractors as defined by Section  
6 2809 of this title.

7 B. For purposes of determining the fair cash value of farm  
8 equipment and farm tractors for ad valorem taxation, the county  
9 assessor shall apply the following depreciation schedule:

10 1. The fair cash value of farm equipment and farm tractors  
11 shall be determined as of January 1 of each year by applying a  
12 depreciation factor of twenty-five percent (25%) per tax year to the  
13 original cost of the farm equipment or farm tractor, beginning with  
14 the first tax year in which the farm equipment and farm tractor is  
15 subject to ad valorem taxation;

16 2. The depreciated fair cash value of farm equipment and farm  
17 tractors shall be calculated by multiplying the original cost of the  
18 farm equipment or farm tractor by the cumulative depreciation factor  
19 of the applicable year of the schedule, as follows:

20 a. for the first tax year, seventy-five percent (75%) of  
21 the original cost,  
22 b. for the second tax year, fifty percent (50%) of the  
23 original cost,

1                   c. for the third tax year, twenty-five percent (25%) of  
2                   the original cost, and  
3                   d. for the fourth tax year and all subsequent tax years,  
4                   zero percent (0%) of the original cost;

5               3. The amount determined pursuant to this subsection shall be  
6               presumed to be the fair cash value of farm equipment and farm  
7               tractors for purposes of ad valorem taxation unless expressly  
8               authorized by the Oklahoma Constitution or Oklahoma Statutes.

9               C. The Oklahoma Tax Commission shall promulgate rules and forms  
10              as may be necessary to implement and administer the provisions of  
11              this act.

12               SECTION 2. This act shall become effective January 1, 2027.

14               60-2-14484           AO           01/12/26