

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

HOUSE BILL 3178

By: Archer

AS INTRODUCED

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

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2817.4 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. As used in this act:

1. "Farm equipment" means any farm tractor, utility task vehicle (UTV), or vehicle that does not meet the definition in 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,
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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.

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