

BILL SUMMARY
2nd Session of the 60th Legislature

Bill No.:	HB1242
Version:	FULLPCS1
Request Number:	16690
Author:	Rep. Strom
Date:	3/3/2026
Impact: FY27:	\$560,000 decrease in sales tax revenue
FY28:	\$970,000 decrease in sales tax revenue

Research Analysis

The proposed committee substitute for HB1242 expands agricultural sales tax exemption by adding cervidae to the definition of *livestock*.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB1242 expands the agricultural sales tax exemption to include deer and elk farmers.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY27: Decrease of \$560,000 in state sales tax revenues.

FY28: Decrease of \$970,000 in state sales tax revenues.

ANALYSIS: The proposed committee substitute¹ adds the term “cervidae” to the definition of “livestock” in Section 1358(2) of Title 68, thereby allowing deer and elk farmers to qualify for the agricultural sales tax exemption.

Based on information provided by industry sources, the USDA Census of Agriculture, and the Oklahoma Department of Agriculture² the proposal is estimated to reduce state sales tax revenue by approximately \$560,000 in FY27 and \$970,000 in FY28. This estimate includes the projected impact from exempting both the sale of cervids within the state and taxable goods used in their production for eligible farms.

¹ The proposed committee substitute updates the measure’s effective date.

² The revenue impact has been revised to reflect updated data since the prior estimate was prepared in 2025. Specifically, the estimates have been adjusted upward to account for increases in the number of facilities, cervid sales, and inflation.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

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