

BILL SUMMARY
2nd Session of the 60th Legislature

Bill No.:	HB2952
Version:	INT
Request Number:	13947
Author:	Rep. Grego
Date:	2/17/2026
Impact:	\$42.3 million decrease in excise tax collections

Research Analysis

HB2952, as introduced, changes how the taxable value of a vehicle is determined for determining motor vehicle excise tax. Under the bill, the excise tax will be calculated based on the vehicle's actual sales price, minus any trade-in credits or discounts applied at the time of purchase.

Prepared By: Quyen Do

Fiscal Analysis

As introduced, HB2952 modifies the calculation of the value of a vehicle for purposes of determining the motor vehicle excise tax.

Officials from Service Oklahoma have provided the following analysis:

Effective Date: July 1, 2026

Fiscal Impact: FY26: \$42.3 Million Decrease in Motor Vehicle Excise Tax Collections

Fiscal Impact Report: Under current law, purchasers of motor vehicles are permitted to deduct the value of a trade-in vehicle when calculating sales tax but are required to pay motor vehicle excise tax on the full purchase price, without regard to trade-in value. This measure would align excise tax treatment with existing sales tax policy by allowing the deduction of trade-in value for both taxes.

Using FY24 transaction data, Service Oklahoma identified the number of vehicle purchasers who took advantage of the trade-in deduction for sales tax purposes. Applying those same transactions to the excise tax base allows Service Oklahoma to estimate the expected fiscal impact of this alignment.

Based on FY24 sales activity, allowing the deduction of trade-in value for excise tax purposes is estimated to reduce motor vehicle excise tax collections by \$42,308,523 per fiscal year.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

