

BILL SUMMARY
2nd Session of the 60th Legislature

Bill No.:	HB2967
Version:	INT
Request Number:	14205
Author:	Rep. Rick West
Date:	2/17/2026
Impact:	FY26: \$2.18 Million dec. in tax collections
	FY27: \$3.28 Million dec. in tax collections

Research Analysis

HB2967, as introduced, expands the list of vehicle ownership transfers exempt from motor vehicle excise tax by adding transfers between a legal guardian and a child, as well as transfers between a grandparent and a grandchild.

Prepared By: Quyen Do

Fiscal Analysis

As introduced, HB2967 exempts from motor vehicle excise tax vehicle ownership transfers between a legal guardian and a child, and between a grandparent and a grandchild.

Officials from Service Oklahoma have provided the following analysis:

Fiscal Impact: FY26: ~\$2.18 Million Decrease in Motor Vehicle Excise Tax Collections
FY27: ~\$3.28 Million Decrease in Motor Vehicle Excise Tax Collections

Fiscal Impact Report: In FY25, 37,138 vehicle transfers qualified for the existing family excise tax exemption under 68 O.S. § 2103, which applies to transfers made without consideration between spouses, parents and children, stepparents and stepchildren, and other qualifying family relationships. Based on an average excise tax amount of \$882.00 per vehicle, approximately \$32.8 million in motor vehicle excise tax was not collected in FY25 as a result of the existing family exemption.

This figure represents all transfers qualifying under the current family exemption, and Service Oklahoma does not have the ability to isolate transfers by specific familial relationship within that data set.

HB 2967 expands the list of exempt transfers to include grandparent-to-grandchild transfers and certain transfers involving revocable express trusts. Because historical data does not distinguish these newly eligible transfer types, the fiscal impact must be estimated using reasonable assumptions.

For purposes of this analysis, Service Oklahoma assumes the expanded exemptions created by HB 2967 would increase the volume of exempt transfers by approximately ten percent (10%) relative to the existing family exemption utilization. This assumption reflects the bill's expansion of eligible family relationships and the addition of qualifying trust-related transfers that are commonly used to transfer or hold vehicle ownership within a family.

Using FY25 utilization as a baseline, a 10% increase equates to approximately 3,714 additional exempt transfers annually (37,138 × 10%). Applying the FY25 average excise amount of \$882.00

per vehicle, the measure would result in an estimated annual decrease of approximately \$3.28 million in motor vehicle excise tax collections once fully implemented ($3,714 \times \$882 = \$3,276,948$).

With an effective date of November 1, the fiscal impact in FY27 would reflect a partial year of implementation (approximately eight months), resulting in an estimated decrease of approximately \$2.18 million in FY27 excise tax collections, with a full-year impact of approximately \$3.28 million in FY28, assuming similar utilization rates.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

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