

BILL SUMMARY
2nd Session of the 60th Legislature

Bill No.:	HB3178
Version:	INT
Request Number:	14484
Author:	Rep. Archer
Date:	2/17/2026
Impact:	See OTC Analysis

Research Analysis

HB3178, as introduced, establishes a standardized depreciation schedule for county assessors to use when determining the fair cash value of farm equipment and tractors for ad valorem tax purposes. The bill requires the fair cash value to decrease by 25 percent annually: 75 percent of the original cost in year one, 50 percent in year two, 25 percent in year three, and zero percent in year four and beyond. The bill also directs the Oklahoma Tax Commission to develop rules and forms necessary for implementation.

Prepared By: Quyen Do

Fiscal Analysis

As introduced, HB3178 establishes a depreciation schedule for farm equipment for purposes of ad valorem tax.

The Oklahoma Tax Commission (OTC) has provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY27-FY28: Unknown tax revenue impact to local tax jurisdictions.

ANALYSIS: HB 3178 creates a new section of law in Title 68 establishing a uniform depreciation schedule for farm equipment and farm tractors for purposes of ad valorem tax. The bill requires county assessors to apply a statutory depreciation factor of 25% per tax year to original cost, with fair cash value reduced to 0% after the fourth tax year. The bill further specifies the depreciated amount calculated under the schedule is to be used as the fair cash value for ad valorem tax purposes.

Under current law, county assessors determine the fair cash value of farm equipment and farm tractors using locally applied valuation methods that vary by county. HB 3178 would replace those practices with a required statewide depreciation schedule.

Available ad valorem data does not include the age or original cost of individual pieces of equipment. As a result, it is not possible to determine how current assessed values compare to the current statutory schedule.

Since the bill requires a uniform valuation methodology and specified valuation data is unavailable, the fiscal impact of HB 3178 cannot be reliably estimated. Any resulting revenue impacts will directly affect local taxing jurisdictions and may indirectly affect state funding through the school funding formula.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.