

BILL SUMMARY
2nd Session of the 60th Legislature

Bill No.:	HB3433
Version:	INT
Request Number:	15901
Author:	Rep. Wilk
Date:	2/17/2026
Impact:	Unknown revenue decrease to local jurisdictions

Research Analysis

HB3433, as introduced, establishes an annual in-lieu tax of \$15 on farm tractors and other heavy equipment used in agricultural production. This tax will replace the existing personal property tax on farm tractors and will be distributed in the same manner as the current personal property tax.

To implement this change, the bill repeals [Title 68, Section 2809](#) of the Oklahoma Statutes, which governs the personal property tax on farm tractors.

Prepared By: Quyen Do

Fiscal Analysis

As introduced, HB3433 establishes an in-lieu tax of \$15 on farm tractors and other heavy equipment used in agricultural production.

Officials from the Oklahoma Tax Commission have provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY27-FY28: No direct impact to state revenue; unknown decrease in revenue to local tax jurisdictions.

ANALYSIS: HB 3433 repeals the existing farm tractor provision in 68 O.S. § 2809 and creates a new section of law in Title 68 to impose a flat in-lieu tax of \$15 per item per year on qualifying agricultural equipment, in lieu of ad valorem taxation, beginning January 1, 2027.

County level ad valorem data indicate that farm tractors and equipment generated approximately \$23.6 million in ad valorem tax statewide in Tax Year 2025. Using USDA Census of Agriculture data, an estimated 305,643 pieces of qualifying agricultural equipment are in operation statewide¹. Dividing total fair cash value by this equipment count suggests an average machine value that would fall within the \$15 in-lieu tax under the proposal. Under this approach, the average machine currently pays about \$77.30 in ad valorem tax, compared to a \$15 in-lieu tax under the proposal, a difference of roughly \$62.30 per machine.

The total fiscal impact cannot be determined with certainty, as statewide data do not identify which equipment is currently subject to ad valorem taxation versus the in-lieu tax, nor the share of equipment that would newly qualify under the proposal. However, the analysis suggests the proposal may result in a reduction in local ad valorem tax revenue on affected equipment, which may indirectly affect state funding through the school funding formula.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

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