

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB3986</b>
<b>Version:</b>	<b>FULLPCS1</b>
<b>Request Number:</b>	<b>15972</b>
<b>Author:</b>	<b>Rep. Caldwell, T.</b>
<b>Date:</b>	<b>2/23/2026</b>
<b>Impact:</b>	<b>\$0</b>

**Research Analysis**

The proposed committee substitute for HB3986 expands eligibility for the 24-month gross production tax exemption on wells completed with recycled water by eliminating the prior requirement that the well must have been drilled before a specific date.

Prepared By: Quyen Do

**Fiscal Analysis**

The proposed committee substitute to HB 3986 removes date-based restrictions on oil and gas wells eligible for gross production tax exempt status through the utilization of recycled water. Upon review, the Oklahoma Tax Commission does not expect any impact to revenues as this incentive is limited to an annual statutory cap. Therefore, this measure has no direct fiscal or revenue considerations for the state.

Prepared By: Jay St Clair, House Fiscal Staff

**Other Considerations**

None.