

<DateSubmitted>

HOUSE OF REPRESENTATIVES  
CONFERENCE COMMITTEE REPORT

Mr. President:  
Mr. Speaker:

The Conference Committee, to which was referred

**HB1378**

By: Dempsey of the House and Murdock of the Senate

Title: Revenue and taxation; sales tax exemptions; agriculture; definitions; effective date.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its amendment; and
2. By adopting the following conference committee amendment to restore the title to read as follows:

An Act relating to revenue and taxation; amending 68 O.S. 2021, Section 1358, which relates to sales tax exemptions for agriculture; expanding agricultural products definition to include timber; defining terms; and providing an effective date.

Respectfully submitted,

House Action \_\_\_\_\_ Date \_\_\_\_\_ Senate Action \_\_\_\_\_ Date \_\_\_\_\_

**SENATE CONFEREES: GCCA (must be signed out at a Senate GCCA meeting)**

Brooks \_\_\_\_\_

Dossett \_\_\_\_\_

Gollihare \_\_\_\_\_

Goodwin \_\_\_\_\_

Green \_\_\_\_\_

Hall \_\_\_\_\_

Haste \_\_\_\_\_

Hicks \_\_\_\_\_

Howard \_\_\_\_\_

Jech \_\_\_\_\_

Kirt \_\_\_\_\_

Murdock \_\_\_\_\_

Pederson \_\_\_\_\_

Prieto \_\_\_\_\_

Pugh \_\_\_\_\_

Rader \_\_\_\_\_

Reinhardt \_\_\_\_\_

Rosino \_\_\_\_\_

Sacchieri \_\_\_\_\_

Seifried \_\_\_\_\_

Stanley \_\_\_\_\_

Stewart \_\_\_\_\_

Thompson \_\_\_\_\_

Weaver \_\_\_\_\_

Woods \_\_\_\_\_

House Action \_\_\_\_\_ Date \_\_\_\_\_

Senate Action \_\_\_\_\_ Date \_\_\_\_\_

1 ENGROSSED SENATE AMENDMENT  
2 TO  
3 ENGROSSED HOUSE  
4 BILL NO. 1378  
5 By: Dempsey of the House  
6  
7 and  
8  
9 Murdock of the Senate  
10  
11 [ revenue and taxation - sales tax exemptions for  
12 agriculture - definitions - effective date ]  
13  
14  
15  
16  
17 AUTHOR: Add the following House Coauthor: Humphrey  
18 AMENDMENT NO. 1. Page 1, strike the enacting clause  
19  
20 Passed the Senate the 5th day of May, 2025.  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100  
101  
102  
103  
104  
105  
106  
107  
108  
109  
110  
111  
112  
113  
114  
115  
116  
117  
118  
119  
120  
121  
122  
123  
124  
125  
126  
127  
128  
129  
130  
131  
132  
133  
134  
135  
136  
137  
138  
139  
140  
141  
142  
143  
144  
145  
146  
147  
148  
149  
150  
151  
152  
153  
154  
155  
156  
157  
158  
159  
160  
161  
162  
163  
164  
165  
166  
167  
168  
169  
170  
171  
172  
173  
174  
175  
176  
177  
178  
179  
180  
181  
182  
183  
184  
185  
186  
187  
188  
189  
190  
191  
192  
193  
194  
195  
196  
197  
198  
199  
200  
201  
202  
203  
204  
205  
206  
207  
208  
209  
210  
211  
212  
213  
214  
215  
216  
217  
218  
219  
220  
221  
222  
223  
224  
225  
226  
227  
228  
229  
230  
231  
232  
233  
234  
235  
236  
237  
238  
239  
240  
241  
242  
243  
244  
245  
246  
247  
248  
249  
250  
251  
252  
253  
254  
255  
256  
257  
258  
259  
260  
261  
262  
263  
264  
265  
266  
267  
268  
269  
270  
271  
272  
273  
274  
275  
276  
277  
278  
279  
280  
281  
282  
283  
284  
285  
286  
287  
288  
289  
290  
291  
292  
293  
294  
295  
296  
297  
298  
299  
300  
301  
302  
303  
304  
305  
306  
307  
308  
309  
310  
311  
312  
313  
314  
315  
316  
317  
318  
319  
320  
321  
322  
323  
324  
325  
326  
327  
328  
329  
330  
331  
332  
333  
334  
335  
336  
337  
338  
339  
340  
341  
342  
343  
344  
345  
346  
347  
348  
349  
350  
351  
352  
353  
354  
355  
356  
357  
358  
359  
360  
361  
362  
363  
364  
365  
366  
367  
368  
369  
370  
371  
372  
373  
374  
375  
376  
377  
378  
379  
380  
381  
382  
383  
384  
385  
386  
387  
388  
389  
390  
391  
392  
393  
394  
395  
396  
397  
398  
399  
400  
401  
402  
403  
404  
405  
406  
407  
408  
409  
410  
411  
412  
413  
414  
415  
416  
417  
418  
419  
420  
421  
422  
423  
424  
425  
426  
427  
428  
429  
430  
431  
432  
433  
434  
435  
436  
437  
438  
439  
440  
441  
442  
443  
444  
445  
446  
447  
448  
449  
450  
451  
452  
453  
454  
455  
456  
457  
458  
459  
460  
461  
462  
463  
464  
465  
466  
467  
468  
469  
470  
471  
472  
473  
474  
475  
476  
477  
478  
479  
480  
481  
482  
483  
484  
485  
486  
487  
488  
489  
490  
491  
492  
493  
494  
495  
496  
497  
498  
499  
500  
501  
502  
503  
504  
505  
506  
507  
508  
509  
510  
511  
512  
513  
514  
515  
516  
517  
518  
519  
520  
521  
522  
523  
524  
525  
526  
527  
528  
529  
530  
531  
532  
533  
534  
535  
536  
537  
538  
539  
540  
541  
542  
543  
544  
545  
546  
547  
548  
549  
550  
551  
552  
553  
554  
555  
556  
557  
558  
559  
560  
561  
562  
563  
564  
565  
566  
567  
568  
569  
570  
571  
572  
573  
574  
575  
576  
577  
578  
579  
580  
581  
582  
583  
584  
585  
586  
587  
588  
589  
590  
591  
592  
593  
594  
595  
596  
597  
598  
599  
600  
601  
602  
603  
604  
605  
606  
607  
608  
609  
610  
611  
612  
613  
614  
615  
616  
617  
618  
619  
620  
621  
622  
623  
624  
625  
626  
627  
628  
629  
630  
631  
632  
633  
634  
635  
636  
637  
638  
639  
640  
641  
642  
643  
644  
645  
646  
647  
648  
649  
650  
651  
652  
653  
654  
655  
656  
657  
658  
659  
660  
661  
662  
663  
664  
665  
666  
667  
668  
669  
670  
671  
672  
673  
674  
675  
676  
677  
678  
679  
680  
681  
682  
683  
684  
685  
686  
687  
688  
689  
690  
691  
692  
693  
694  
695  
696  
697  
698  
699  
700  
701  
702  
703  
704  
705  
706  
707  
708  
709  
710  
711  
712  
713  
714  
715  
716  
717  
718  
719  
720  
721  
722  
723  
724  
725  
726  
727  
728  
729  
730  
731  
732  
733  
734  
735  
736  
737  
738  
739  
740  
741  
742  
743  
744  
745  
746  
747  
748  
749  
750  
751  
752  
753  
754  
755  
756  
757  
758  
759  
760  
761  
762  
763  
764  
765  
766  
767  
768  
769  
770  
771  
772  
773  
774  
775  
776  
777  
778  
779  
780  
781  
782  
783  
784  
785  
786  
787  
788  
789  
790  
791  
792  
793  
794  
795  
796  
797  
798  
799  
800  
801  
802  
803  
804  
805  
806  
807  
808  
809  
810  
811  
812  
813  
814  
815  
816  
817  
818  
819  
820  
821  
822  
823  
824  
825  
826  
827  
828  
829  
830  
831  
832  
833  
834  
835  
836  
837  
838  
839  
840  
841  
842  
843  
844  
845  
846  
847  
848  
849  
850  
851  
852  
853  
854  
855  
856  
857  
858  
859  
860  
861  
862  
863  
864  
865  
866  
867  
868  
869  
870  
871  
872  
873  
874  
875  
876  
877  
878  
879  
880  
881  
882  
883  
884  
885  
886  
887  
888  
889  
890  
891  
892  
893  
894  
895  
896  
897  
898  
899  
900  
901  
902  
903  
904  
905  
906  
907  
908  
909  
910  
911  
912  
913  
914  
915  
916  
917  
918  
919  
920  
921  
922  
923  
924  
925  
926  
927  
928  
929  
930  
931  
932  
933  
934  
935  
936  
937  
938  
939  
940  
941  
942  
943  
944  
945  
946  
947  
948  
949  
950  
951  
952  
953  
954  
955  
956  
957  
958  
959  
960  
961  
962  
963  
964  
965  
966  
967  
968  
969  
970  
971  
972  
973  
974  
975  
976  
977  
978  
979  
980  
981  
982  
983  
984  
985  
986  
987  
988  
989  
990  
991  
992  
993  
994  
995  
996  
997  
998  
999  
1000

1 ENGROSSED HOUSE  
2 BILL NO. 1378

By: Dempsey of the House

3 and

4 Murdock of the Senate

5  
6  
7 [ revenue and taxation - sales tax exemptions for  
8 agriculture - definitions - effective date ]  
9  
10

11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

12 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1358, is  
13 amended to read as follows:

14 Section 1358. Exemptions - Agriculture.

15 A. There are hereby specifically exempted from the tax levied  
16 by Section 1350 et seq. of this title:

17 1. Sales of agricultural products produced in this state by the  
18 producer thereof directly to the consumer or user when such articles  
19 are sold at or from a farm and not from some other place of  
20 business, as follows:

21 a. farm, orchard or garden products, and

22 b. dairy products sold by a dairy producer or farmer who  
23 owns all the cows from which the dairy products  
24 offered for sale are produced;

1 provided, the provisions of this paragraph shall not be construed as  
2 exempting sales by florists, nursery operators or chicken  
3 hatcheries, or sales of dairy products by any other business except  
4 as set out herein;

5 2. Livestock, including cattle, horses, mules or other domestic  
6 or draft animals, sold by the producer by private treaty or at a  
7 special livestock sale;

8 3. Sale of baby chicks, turkey poults and starter pullets used  
9 in the commercial production of chickens, turkeys and eggs, provided  
10 that the purchaser certifies, in writing, on the copy of the invoice  
11 or sales ticket to be retained by the vendor that the pullets will  
12 be used primarily for egg production;

13 4. Sale of salt, grains, tankage, oyster shells, mineral  
14 supplements, limestone and other generally recognized animal feeds  
15 for the following purposes and subject to the following limitations:

16 a. feed which is fed to poultry and livestock, including  
17 breeding stock and wool-bearing stock, for the purpose  
18 of producing eggs, poultry, milk or meat for human  
19 consumption,

20 b. feed purchased in Oklahoma for the purpose of being  
21 fed to and which is fed by the purchaser to horses,  
22 mules or other domestic or draft animals used directly  
23 in the producing and marketing of agricultural  
24 products, and

1           c.    any stock tonics, water purifying products, stock  
2                sprays, disinfectants or other such agricultural  
3                supplies.

4           "Poultry" shall not be construed to include any fowl other than  
5 domestic fowl kept and raised for the market or production of eggs.  
6 "Livestock" shall not be construed to include any pet animals such  
7 as dogs, cats, birds or such other fur-bearing animals. This  
8 exemption shall only be granted and extended where the purchaser of  
9 feed that is to be used and in fact is used for a purpose that would  
10 bring about an exemption hereunder executes an invoice or sales  
11 ticket in duplicate on a form to be prescribed by the Oklahoma Tax  
12 Commission. The purchaser may demand and receive a copy of the  
13 invoice or sales ticket and the vendor shall retain a copy;

14          5. Sales of items to be and in fact used in the production of  
15 agricultural products. Sale of the following items shall be subject  
16 to the following limitations:

- 17           a.    sales of agricultural fertilizer to any person  
18                regularly engaged, for profit, in the business of  
19                farming or ranching,  
20           b.    sales of agricultural fertilizer to any person engaged  
21                in the business of applying such materials on a  
22                contract or custom basis to land owned or leased and  
23                operated by persons regularly engaged, for profit, in  
24                the business of farming or ranching. In addition to

1 providing the vendor proof of eligibility as provided  
2 in Section 1358.1 of this title, the purchaser shall  
3 provide the name or names of such owner or lessee and  
4 operator and the location of the lands on which said  
5 materials are to be applied to each such land,

6 c. sales of agricultural fertilizer, pharmaceuticals and  
7 biologicals to persons engaged in the business of  
8 applying such materials on a contract or custom basis  
9 shall not be considered to be sales to contractors  
10 under this article, and said sales shall not be  
11 considered to be taxable sales within the meaning of  
12 the Oklahoma Sales Tax Code. As used in this section,  
13 "agricultural fertilizer", "pharmaceuticals" and  
14 "biologicals" mean any substance sold and used for  
15 soil enrichment or soil corrective purposes or for  
16 promoting the growth and productivity of plants or  
17 animals,

18 d. sales of agricultural seed or plants to any person  
19 regularly engaged, for profit, in the business of  
20 farming or ranching. This section shall not be  
21 construed as exempting from sales tax, seed which is  
22 packaged and sold for use in noncommercial flower and  
23 vegetable gardens, and  
24

1           e.    sales of agricultural chemical pesticides to any  
2                person regularly engaged, for profit, in the business  
3                of farming or ranching. For the purposes of this  
4                subparagraph, "agricultural chemical pesticides" shall  
5                include any substance or mixture of substances  
6                intended for preventing, destroying, repelling or  
7                mitigating any insect, snail, slug, rodent, bird,  
8                nematode, fungus, weed or any other form of  
9                terrestrial or aquatic plant or animal life or virus,  
10              bacteria or other microorganism, except viruses,  
11              bacteria or other microorganisms on or in living man,  
12              or any substance or mixture of substances intended for  
13              use as a plant regulator, defoliant or desiccant.

14           The exemption provided in this paragraph shall only be granted  
15 and extended to the purchaser where the items are to be used and in  
16 fact are used in the production of agricultural products;

17           6.   Sale of farm machinery, repair parts thereto or fuel, oil,  
18 lubricants and other substances used for operation and maintenance  
19 of the farm machinery to be used directly on a farm or ranch in the  
20 production, cultivation, planting, sowing, harvesting, processing,  
21 spraying, preservation or irrigation of any livestock, poultry,  
22 agricultural or dairy products produced from such lands. The  
23 exemption specified in this paragraph shall apply to such farm  
24 machinery, repair parts or fuel, oil, lubricants and other



1 substances used by persons engaged in the business of custom  
2 production, cultivation, planting, sowing, harvesting, processing,  
3 spraying, preservation, or irrigation of any livestock, poultry,  
4 agricultural, or dairy products for farmers or ranchers. The  
5 exemption provided for herein shall not apply to motor vehicles;

6 7. Sales of supplies, machinery and equipment to persons  
7 regularly engaged in the business of raising evergreen trees for  
8 retail sale in which such trees are cut down on the premises by the  
9 consumer purchasing such tree. This exemption shall only be granted  
10 and extended when the items in fact are used in the raising of such  
11 evergreen trees; and

12 8. Sales of materials, supplies and equipment to an  
13 agricultural permit holder or to any person with whom the permit  
14 holder has contracted to construct facilities which are or which  
15 will be used directly in the production of any livestock, including,  
16 but not limited to, facilities used in the production and storage of  
17 feed for livestock owned by the permit holder. Any person making  
18 purchases on behalf of the agricultural permit holder shall certify,  
19 in writing, on the copy of the invoice or sales ticket to be  
20 retained by the vendor that the purchases are made for and on behalf  
21 of such permit holder and set out the name and permit number of such  
22 holder. Any person who wrongfully or erroneously certifies that  
23 purchases are for an agricultural permit holder or who otherwise  
24 violates this subsection shall be guilty of a misdemeanor and upon

1 conviction thereof shall be punishable by a fine of an amount equal  
2 to double the amount of sales tax involved or imprisonment in the  
3 county jail for not more than sixty (60) days or by both such fine  
4 and imprisonment.

5 B. As used in this section and Section 1358.1 of this title:

6 1. "Agricultural products" shall include horses and timber; ~~and~~

7 2. "Farming" or "farm" shall include the production of timber,  
8 seedling production, and forestry management; and

9 3. "Ranching" or "ranch" shall include the business, or  
10 facilities for the business, of raising horses.

11 Provided, sales of items at race meetings as defined in Section  
12 200.1 of Title 3A of the Oklahoma Statutes shall not be exempt  
13 pursuant to the provisions of this section and Section 1358.1 of  
14 this title.

15 SECTION 2. This act shall become effective November 1, 2025.  
16  
17  
18  
19  
20  
21  
22  
23  
24

1 Passed the House of Representatives the 24th day of February,  
2 2025.

3  
4 Presiding Officer of the House  
5 of Representatives

6 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2025.

7  
8 Presiding Officer of the Senate