

BILL/VERSION:	SB 1997 / INTRODUCED	ANALYST: EC
AUTHORS:	Sen. Murdock	DATE: 1/27/2026
TAX(ES):	Ad Valorem	
SUBJECT(S):	Business Personal Property	
EFFECTIVE DATE:	January 1, 2027	Emergency <input type="checkbox"/>

ESTIMATED REVENUE IMPACT:

FY27: Unknown decrease in revenue to local tax jurisdictions.

FY28: Unknown decrease in revenue to local tax jurisdictions.

ANALYSIS: SB 1997 amends 68 O.S. § 2887 to exempt all taxable tangible personal property owned by a business entity if the total fair cash value of such property owned statewide does not exceed \$25,000 in the relevant tax year. The exemption applies on a per-entity basis, prior to the application of depreciation schedules, and includes filing relief when the county assessor can reasonably determine that the exemption applies.

To estimate the potential impact of this exemption, county level commercial personal property assessed values were converted to estimated fair cash values and used to calculate the average value per account by county. Based on this county-level data, the average estimated fair cash value per account exceeds the \$25,000 exemption threshold. The exemption applies to entities with total statewide personal property of \$25,000 or less; however, statewide account-level data is not available, and the fiscal impact cannot be directly estimated. County-level data suggests that, on average, few accounts would fall below the threshold. Revenue impacts will directly affect local taxing jurisdictions and may indirectly affect state funding through the school funding formula.

Administrative Concerns: Administration of this exemption may present challenges for counties, as it would require sharing data across jurisdictions. In addition, the legislation allows exempt entities to avoid personal property form submission once the exemption is applied. As a result, any changes in personal property that exceed the exemption would be unknown to the county.

1/31/26

DATE

Huan Gong
DR. HUAN GONG, CHIEF TAX ECONOMIST

2/2/26

DATE

Mari Schuble
MARIE SCHUBLE, DIVISION DIRECTOR

2/2/26

DATE

Joseph P. Gappa
JOSEPH P. GAPPA, FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted. This estimate reflects current available data as of the date of issuance and is subject to revision if additional information becomes known.