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<b>BILL/VERSION:</b>	<b>SJR 48 / INTRODUCED</b>	<b>ANALYST:</b> EC
<b>AUTHORS:</b>	Sen. Paxton / Rep. Hilbert	<b>DATE:</b> 3/3/2026
<b>TAX(ES):</b>	Ad Valorem Tax	
<b>SUBJECT(S):</b>	5-Year Manufacturing Exemption	
<b>EFFECTIVE DATE:</b>	Effective Upon Voter Approval	<b>Emergency</b> <input type="checkbox"/>

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**ESTIMATED REVENUE IMPACT:** None.

**ESTIMATED APPORTIONMENT IMPACT:**  
**Ad Valorem Reimbursement Fund: Unknown.**

**ANALYSIS:** SJR 48 proposes a constitutional amendment to Section 6B of Article X of the Oklahoma Constitution relating to the five-year ad valorem tax exemption for qualifying manufacturing concerns. The proposal limits the requirement that the state reimburse counties and other taxing jurisdictions, for revenue lost due to the exemption, to an amount necessary to equal the ad valorem tax revenue received by each jurisdiction from the property prior to the new, expanded, or acquired manufacturing facility qualifying for the exemption.

Under current law, the state reimburses local tax jurisdictions for ad valorem revenue lost due to the manufacturing exemption. The proposal would cap reimbursement at the amount of ad valorem revenue generated by the property before the facility qualified for the exemption. As a result, any additional revenue attributable to a new or expanded facility would not be reimbursed during the exemption period.

This change would reduce state reimbursement payments relative to current law. Local jurisdictions would continue to receive reimbursement up to the prior revenue level but would not be reimbursed for the added value of the new or expanded facility. The impact directly affects local taxing jurisdictions and may indirectly affect state funding through the school funding formula.

3/4/26  
DATE

Huan Gong  
DR. HUAN GONG, CHIEF TAX ECONOMIST

3/4/26  
DATE

Marie Schuble  
MARIE SCHUBLE, DIVISION DIRECTOR

3/4/26  
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.*