

BILL SUMMARY
2nd Session of the 60th Legislature

Bill No.:	HB4346
Version:	INT
Request Number:	14766
Author:	Rep. Moore
Date:	2/26/2026
Impact:	Unknown impact on sales tax collections

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

As introduced, HB4346 requires the State of Oklahoma to accept out-of-state agricultural exemption permits issued by Texas, Arkansas, Kansas, New Mexico, or Missouri when used for farming or ranching within Oklahoma.

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

ESTIMATED REVENUE IMPACT:

FY27: Unknown impact on sales tax collections.

FY28: Unknown impact on sales tax collections.

ANALYSIS: The measure requires the State of Oklahoma¹ to honor and accept out-of-state agricultural exemption permits or equivalent documentation (permit, license, card, or other proof) issued by Texas, Arkansas, Kansas, New Mexico, or Missouri when used for farming or ranching within Oklahoma. The impact of this measure is unknown due to the lack of data on purchases made in Oklahoma by holders of out-of-state agricultural exemption permits.

ADMINISTRATIVE NOTE: Current state law, 68 O.S. § 1358.1(D)², allows qualifying agriculture producers from other states that are engaged in custom farming operations to register and receive an Oklahoma Agricultural Sales Tax Exemption Certificate. Additionally, under 68 O.S. § 1358.1(G)³, the OTC may generally honor out-of-state agricultural exemptions, subject to certain qualifications.

¹ This requirement would be implemented by the Oklahoma Tax Commission, Oklahoma vendors, and other relevant state entities.

² A person who does not otherwise qualify for a permit pursuant to subsection C of this section, except as provided in subsection E of this section, shall file with the Oklahoma Tax Commission an application for an agricultural exemption permit constituting proof of eligibility for the sales tax exemptions authorized by Section 1358 of this title, setting forth such information as the Tax Commission may require. The application shall be certified by the applicant that the applicant is engaged in custom farming operations or in the business of farming or ranching. If the applicant is a corporation, the application shall be certified by a legally constituted officer thereof.

³ If an out-of-state agricultural exemption permit holder purchases tangible personal property from a vendor within this state who is not in the business of shipping the tangible personal property purchased, then the out-of-state permit holder is responsible for providing documentation to the vendor showing that the point of delivery is outside the state.

The proposed legislation may exclude individuals from states not specifically listed from claiming exemptions on purchases of tangible personal property used for agricultural purposes.

Although the measure provides rulemaking authority for the OTC, verification of other state exemptions may be challenging. Not every state issues a formal certificate; in some cases, the vendor provides a form that the customer completes and retains for the state's compliance purposes.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

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