

State of Oklahoma Property Tax Assessments Statutes

Basis for Property Tax Assessments – Market Value

Property is generally valued at its actual fair cash value (Sec. 2817(A), Tit. 68, O.S.). The actual fair cash value of personal property is the price at which a willing buyer will purchase property and a willing seller will sell property if (1) both parties are knowledgeable about the property and its uses and (2) neither party is under any undue pressure to buy or sell (Sec. 2802(18), Tit. 68, O.S.). The taxable fair cash value is the actual fair cash value of locally assessed real property as capped by the limit on increased valuation in Section 8B of Article X of the Oklahoma Constitution (Sec.2802(28), Tit. 68, O.S.). A valuation of real property must take into account the highest and best use for which the property was actually used, or was previously classified for use, during the preceding calendar year (Sec. 2817(B), Tit. 68, O.S.).

Oil refinery property used wholly as a facility, device, or method for the desulphurization of gasoline or diesel fuel is not included in the capitalization used to determine the fair market value of the refinery if an application for exclusion meets certain requirements and is approved by the Oklahoma Department of Environmental Quality (Sec. 2817, Tit. 68, O.S.).

Real Property Defined

Real property includes both land and all associated rights and privileges that add value to the land (Sec. 2806, Tit. 68, O.S.). Generally, the term encompasses mines, minerals, quarries, and trees, as well as most buildings, structures, and improvements, including, but not limited to, barns, bins, or cattle pens, but excluding machinery and fixtures that are defined as personal property. The definition of real property includes any improvements affixed to land owned by the United States, any branch of the Armed Forces, or any agency or quasi-agency of the United States if the improvements are used for national defense purposes or housing of military personnel and their families.

Personal Property Defined

Personal property is defined for Oklahoma property tax purposes as (Sec. 2807, Tit. 68, O.S.) goods, chattels, and effects; improvements made by others to realty owned by the federal or state government, improvements made to realty owned by a railway company or other centrally assessed corporation, and



improvements made to leased realty that do not become a part of the realty; nursery stock that has been dug and placed in bins or storage and that is ready for sale; livestock and poultry; household furniture, including gold and silver plate, musical instruments, watches, and jewelry; personal, private, or professional libraries; farm machinery and equipment; manufactured items and the machinery, equipment, and materials used by manufacturers; goods, wares, and merchandise, including oil, gas, and petroleum products severed from the realty; abstractors' books and the equipment, personal property, records, and files of mercantile credit reporting organizations; agricultural implements and machinery, goods, wares, merchandise, and other chattels stored in Oklahoma or held in the state by an agent, factor, or representative of a manufacturer or a manufacturer's dealer or agent; tanks and containers used to store or hold crude oil or its products, gasoline, water, or any other liquid or gas; pipelines; telegraph and telephone lines; railroad tracks; oil and petroleum products in storage; and any other property that is excluded from the definition of real property.

Intangible Property Taxes

All intangible personal property is exempt from ad valorem taxation (Sec. 6A, Art. X, Okla. Const.).