

2. Exempt Inventory

(Art. 10, § 6A Okla. Const.) (68 O.S. § 2902.2)

For more information, contact the Oklahoma Tax Commission at (405) 319-8200 or helpmaster@oktax.state.ok.us. For forms, visit www.oktax.state.ok.us or contact a local County Assessor to discuss what property may qualify for the exemption.

[Download PDF on Exempt Inventory here.](#)

Oklahoma's Freeport Law exempts from taxation goods, wares, and merchandise that come from outside the state and leave the state within nine months if such goods, wares, and merchandise are held for assembly, storage, manufacturing, processing, or fabricating purposes within the state. This exemption must be filed with the county assessor by March 15th as other exemption applications.

The Oklahoma State Constitution and Title 68 O.S. § 2805 exempt intangible personal property including cash, receivables, bonds, stocks, and annuities from ad valorem taxation.

All tangible personal property is reported to the County Assessor no later than March 15th of each year. A Freeport exemption application must accompany the report.

3. Aircraft Manufacturers Exemption License

(3 O.S. §§ 254 and 256.2)

For more information, contact the Oklahoma Tax Commission at otcmaster@tax.ok.gov. [Download PDF an Aircraft Manufacturing Exemption License here.](#)

Manufacturers of aircraft may purchase an exemption license of \$250 in lieu of any ad valorem tax upon aircraft owned by the manufacturer. Each manufacturer of aircraft must pay a registration fee of \$250 on each aircraft in the process of manufacture.

4. Local Incentive

(62 O.S. § 860)

For more information, contact the Oklahoma Department of Commerce at (800) 879-6552 or info@odoc.state.ok.us.

Another method for companies to obtain ad valorem incentives or exemptions is for local taxing entities to designate Incentive Districts in the community and allow exemptions of some, or a portion of local taxes, by written agreement amongst all taxing units affected. The revenue is not reimbursed by the state using this method so the decision to allow the exemption is strictly a local one. The exemption is allowed on new investment only and is not available to predominantly "retail" establishments, which by statutory definition do not include hotels or motels.

Exemptions are for five years unless the business is located in an Enterprise Zone - then, the exemption may be for up to six years. It may be extended for the sixth year only by agreement of all local taxing entities. Companies enrolled in the five-year manufacturers