

The five-year manufacturing exemption for distribution centers applies to establishments primarily engaged in distribution as defined by NAICS [49311](#), [49312](#), [49313](#), [49319](#), and NAICS [42](#).

Construction of the distribution center must begin on or after November 1, 2007 and be completed within three (3) years from the date of construction. A minimum investment of Five-Million Dollars (\$5,000,000.00) is required at least 100 FTE paid at least one-hundred seventy-five percent (175%) of the federal minimum wage. [Ref: 68 O.S. Sec. 2902 (B) (1) (e)] Effective November 1, 2007.

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