

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 CONFERENCE COMMITTEE
4 SUBSTITUTE
5 FOR ENGROSSED
6 HOUSE BILL NO. 1094

By: Piatt, Sears, Harrison,
Renegar, Covey, Dorman and
Morgan of the House

7 and

8 Crutchfield of the Senate

9
10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to charity games; amending 3A O.S.
12 2001, Section 421, as amended by Section 1, Chapter
13 330, O.S.L. 2004 (3A O.S. Supp. 2006, Section 421),
14 which relates to charity games taxes; exempting
15 certain organization from charity games taxes;
16 amending 68 O.S. 2001, Section 1355, as last amended
17 by Section 106, Chapter 1, O.S.L. 2005 (68 O.S. Supp.
18 2006, Section 1355), which relates to sales tax;
19 expanding certain exemption from sales tax; providing
20 an effective date; and declaring an emergency.

21 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

22 SECTION 1. AMENDATORY 3A O.S. 2001, Section 421, as
23 amended by Section 1, Chapter 330, O.S.L. 2004 (3A O.S. Supp. 2006,
24 Section 421), is amended to read as follows:

Section 421. A. Except as provided in subsection D of this
section, there is hereby levied a tax in the amount of one cent

1 (\$0.01) upon each bingo face and each U-PIK-EM bingo game set sold
2 in this state to be paid by the distributor.

3 B. Except as provided in subsection D of this section, there is
4 hereby levied upon each breakopen ticket game sold in this state a
5 tax in the amount of ten percent (10%) on the gross receipts of the
6 retail sales value to be paid by the distributor. For purposes of
7 this subsection, "gross receipts of the retail sales value" means
8 the stated retail per breakopen ticket price multiplied by the
9 number of tickets in each packaging container of breakopen tickets.

10 C. Except as provided in subsection D of this section, there is
11 hereby levied upon all charity game equipment except bingo faces, U-
12 PIK-EM bingo game sets, and breakopen ticket games a tax in the
13 amount of ten percent (10%) of the price paid for such equipment as
14 shown on the purchase invoice.

15 D. There shall be no tax levied on any item provided for in
16 this section if the item is sold to an organization that is a:

17 1. A veterans' organization exempt from taxation pursuant to
18 the provisions of paragraph (4), (7), (8), (10) or (19) of
19 subsection (c) of Section 501 of the United States Internal Revenue
20 Code of 1986, as amended, 26 U.S.C., Section 501(c) et seq.; or

21 2. A group home for mentally disabled individuals exempt from
22 taxation pursuant to the provisions of paragraph (3) of subsection
23 (c) of Section 501 of the United States Internal Revenue Code of
24 1986, as amended, 26 U.S.C., Section 501(c) et seq.

1 SECTION 2. AMENDATORY 68 O.S. 2001, Section 1355, as
2 last amended by Section 106, Chapter 1, O.S.L. 2005 (68 O.S. Supp.
3 2006, Section 1355), is amended to read as follows:

4 Section 1355. Exemptions - Subject to other tax.

5 There are hereby specifically exempted from the tax levied
6 pursuant to the provisions of Section 1350 et seq. of this title:

7 1. Sale of gasoline, motor fuel, methanol, "M-85" which is a
8 mixture of methanol and gasoline containing at least eighty-five
9 percent (85%) methanol, compressed natural gas, liquefied natural
10 gas, or liquefied petroleum gas on which the Motor Fuel Tax,
11 Gasoline Excise Tax, Special Fuels Tax or the fee in lieu of Special
12 Fuels Tax levied in Section 500.1 et seq., Section 601 et seq. or
13 Section 701 et seq. of this title has been, or will be paid;

14 2. Sale of motor vehicles or any optional equipment or
15 accessories attached to motor vehicles on which the Oklahoma Motor
16 Vehicle Excise Tax levied in Section 2101 et seq. of this title has
17 been, or will be paid;

18 3. Sale of crude petroleum or natural or casinghead gas and
19 other products subject to gross production tax pursuant to the
20 provisions of Section 1001 et seq. and Section 1101 et seq. of this
21 title. This exemption shall not apply when such products are sold
22 to a consumer or user for consumption or use, except when used for
23 injection into the earth for the purpose of promoting or
24 facilitating the production of oil or gas. This paragraph shall not

1 operate to increase or repeal the gross production tax levied by the
2 laws of this state;

3 4. Sale of aircraft on which the tax levied pursuant to the
4 provisions of Sections 6001 through 6007 of this title has been, or
5 will be paid or which are specifically exempt from such tax pursuant
6 to the provisions of Section 6003 of this title;

7 5. Sales from coin-operated devices on which the fee imposed by
8 Sections 1501 through 1512 of this title has been paid;

9 6. Leases of twelve (12) months or more of motor vehicles in
10 which the owners of the vehicles have paid the vehicle excise tax
11 levied by Section 2103 of this title;

12 7. Sales of charity game equipment on which a tax is levied
13 pursuant to the Oklahoma Charity Games Act, Section 401 et seq. of
14 Title 3A of the Oklahoma Statutes, or which is sold to an
15 organization that is:

16 a. a veterans' organization exempt from taxation pursuant
17 to the provisions of paragraph (4), (7), (8), (10) or
18 (19) of subsection (c) of Section 501 of the United
19 States Internal Revenue Code of 1986, as amended, 26
20 U.S.C., Section 501(c) et seq., or

21 b. a group home for mentally disabled individuals exempt
22 from taxation pursuant to the provisions of paragraph
23 (3) of subsection (c) of Section 501 of the United

24

1 States Internal Revenue Code of 1986, as amended, 26
2 U.S.C., Section 501(c) et seq.;

3 8. Sales of cigarettes or tobacco products to:

4 a. a federally recognized Indian tribe or nation which
5 has entered into a compact with the State of Oklahoma
6 pursuant to the provisions of subsection C of Section
7 346 of this title or to a licensee of such a tribe or
8 nation, upon which the payment in lieu of taxes
9 required by the compact has been paid, or

10 b. a federally recognized Indian tribe or nation or to a
11 licensee of such a tribe or nation upon which the tax
12 levied pursuant to the provisions of Section 349 or
13 Section 426 of this title has been paid;

14 9. Leases of aircraft upon which the owners have paid the
15 aircraft excise tax levied by Section 6001 et seq. of this title or
16 which are specifically exempt from such tax pursuant to the
17 provisions of Section 6003 of this title;

18 10. The sale of low-speed electrical vehicles on which the
19 Oklahoma Motor Vehicle Excise Tax levied in Section 2101 et seq. of
20 this title has been or will be paid; and

21 11. Effective January 1, 2005, sales of cigarettes on which the
22 tax levied in Section 301 et seq. of this title or tobacco products
23 on which the tax levied in Section 401 et seq. of this title has
24 been paid.

1 SECTION 3. This act shall become effective July 1, 2007.

2 SECTION 4. It being immediately necessary for the preservation
3 of the public peace, health and safety, an emergency is hereby
4 declared to exist, by reason whereof this act shall take effect and
5 be in full force from and after its passage and approval.

6
7 51-1-8049 CJB 05/10/07
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24