

THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 2008

House Bill No. 2714
As Amended

HOUSE BILL NO. 2714 - By: BILLY AND JETT of the House and PADDACK of the Senate.

(revenue and taxation - amending 68 O.S. Supp. 2007, Section 1356 - Oklahoma sales tax - exemption for certain veterans' organizations - effective date –
emergency)

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

1 SECTION 1. AMENDATORY 68 O.S. 2001, Section 1356, as last amended by
2 Section 5, Chapter 353, O.S.L. 2007 (68 O.S. Supp. 2007, Section 1356), is amended to
3 read as follows:
4 Section 1356. Exemptions - Governmental and nonprofit entities.
5 There are hereby specifically exempted from the tax levied by Section 1350 et seq. of
6 this title:
7 1. Sale of tangible personal property or services to the United States government or
8 to the State of Oklahoma, any political subdivision of this state or any agency of a
9 political subdivision of this state; provided, all sales to contractors in connection with the
10 performance of any contract with the United States government, State of Oklahoma or

1 any of its political subdivisions shall not be exempted from the tax levied by Section 1350
2 et seq. of this title, except as hereinafter provided;

3 2. Sales of property to agents appointed by or under contract with agencies or
4 instrumentalities of the United States government if ownership and possession of such
5 property transfers immediately to the United States government;

6 3. Sales of property to agents appointed by or under contract with a political
7 subdivision of this state if the sale of such property is associated with the development of
8 a qualified federal facility, as provided in the Oklahoma Federal Facilities Development
9 Act, and if ownership and possession of such property transfers immediately to the
10 political subdivision or the state;

11 4. Sales made directly by county, district or state fair authorities of this state, upon
12 the premises of the fair authority, for the sole benefit of the fair authority or sales of
13 admission tickets to such fairs or fair events at any location in the state authorized by
14 county, district or state fair authorities; provided, the exemption provided by this
15 paragraph for admission tickets to fair events shall apply only to any portion of the
16 admission price that is retained by or distributed to the fair authority. As used in this
17 paragraph, "fair event" shall be limited to an event held on the premises of the fair
18 authority in conjunction with and during the time period of a county, district or state
19 fair;

20 5. Sale of food in cafeterias or lunch rooms of elementary schools, high schools,
21 colleges or universities which are operated primarily for teachers and pupils and are not
22 operated primarily for the public or for profit;

1 6. Dues paid to fraternal, religious, civic, charitable or educational societies or
2 organizations by regular members thereof, provided, such societies or organizations
3 operate under what is commonly termed the lodge plan or system, and provided such
4 societies or organizations do not operate for a profit which inures to the benefit of any
5 individual member or members thereof to the exclusion of other members and dues paid
6 monthly or annually to privately owned scientific and educational libraries by members
7 sharing the use of services rendered by such libraries with students interested in the
8 study of geology, petroleum engineering or related subjects;

9 7. Sale of tangible personal property or services to or by churches, except sales
10 made in the course of business for profit or savings, competing with other persons
11 engaged in the same or a similar business or sale of tangible personal property or
12 services by an organization exempt from federal income tax pursuant to Section 501(c)(3)
13 of the Internal Revenue Code of 1986, as amended, made on behalf of or at the request of
14 a church or churches if the sale of such property is conducted not more than once each
15 calendar year for a period not to exceed three (3) days by the organization and proceeds
16 from the sale of such property are used by the church or churches or by the organization
17 for charitable purposes;

18 8. The amount of proceeds received from the sale of admission tickets which is
19 separately stated on the ticket of admission for the repayment of money borrowed by any
20 accredited state-supported college or university or any public trust of which a county in
21 this state is the beneficiary, for the purpose of constructing or enlarging any facility to be
22 used for the staging of an athletic event, a theatrical production, or any other form of

1 entertainment, edification or cultural cultivation to which entry is gained with a paid
2 admission ticket. Such facilities include, but are not limited to, athletic fields, athletic
3 stadiums, field houses, amphitheaters and theaters. To be eligible for this sales tax
4 exemption, the amount separately stated on the admission ticket shall be a surcharge
5 which is imposed, collected and used for the sole purpose of servicing or aiding in the
6 servicing of debt incurred by the college or university to effect the capital improvements
7 hereinbefore described;

8 9. Sales of tangible personal property or services to the council organizations or
9 similar state supervisory organizations of the Boy Scouts of America, Girl Scouts of
10 U.S.A. and the Campfire Boys and Girls;

11 10. Sale of tangible personal property or services to any county, municipality, rural
12 water district, public school district, the institutions of The Oklahoma State System of
13 Higher Education, the Grand River Dam Authority, the Northeast Oklahoma Public
14 Facilities Authority, the Oklahoma Municipal Power Authority, City of Tulsa-Rogers
15 County Port Authority, Muskogee City-County Port Authority, the Oklahoma
16 Department of Veterans Affairs, the Broken Bow Economic Development Authority,
17 Ardmore Development Authority, Durant Industrial Authority, Oklahoma Ordnance
18 Works Authority or to any person with whom any of the above-named subdivisions or
19 agencies of this state has duly entered into a public contract pursuant to law, necessary
20 for carrying out such public contract or to any subcontractor to such a public contract.
21 Any person making purchases on behalf of such subdivision or agency of this state shall
22 certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor

1 that the purchases are made for and on behalf of such subdivision or agency of this state
2 and set out the name of such public subdivision or agency. Any person who wrongfully or
3 erroneously certifies that purchases are for any of the above-named subdivisions or
4 agencies of this state or who otherwise violates this section shall be guilty of a
5 misdemeanor and upon conviction thereof shall be fined an amount equal to double the
6 amount of sales tax involved or incarcerated for not more than sixty (60) days or both;

7 11. Sales of tangible personal property or services to private institutions of higher
8 education and private elementary and secondary institutions of education accredited by
9 the State Department of Education or registered by the State Board of Education for
10 purposes of participating in federal programs or accredited as defined by the Oklahoma
11 State Regents for Higher Education which are exempt from taxation pursuant to the
12 provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), including
13 materials, supplies, and equipment used in the construction and improvement of
14 buildings and other structures owned by the institutions and operated for educational
15 purposes.

16 Any person, firm, agency or entity making purchases on behalf of any institution,
17 agency or subdivision in this state, shall certify in writing, on the copy of the invoice or
18 sales ticket the nature of the purchases, and violation of this paragraph shall be a
19 misdemeanor as set forth in paragraph 10 of this section;

20 12. Tuition and educational fees paid to private institutions of higher education
21 and private elementary and secondary institutions of education accredited by the State
22 Department of Education or registered by the State Board of Education for purposes of

1 participating in federal programs or accredited as defined by the Oklahoma State
2 Regents for Higher Education which are exempt from taxation pursuant to the provisions
3 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3);

4 13. a. Sales of tangible personal property made by:

5 (1) a public school,

6 (2) a private school offering instruction for grade levels
7 kindergarten through twelfth grade,

8 (3) a public school district,

9 (4) a public or private school board,

10 (5) a public or private school student group or organization,

11 (6) a parent-teacher association or organization other than as
12 specified in subparagraph b of this paragraph, or

13 (7) public or private school personnel for purposes of raising funds
14 for the benefit of a public or private school, public school district,
15 public or private school board or public or private school student
16 group or organization, or

17 b. Sales of tangible personal property made by or to nonprofit parent-
18 teacher associations or organizations exempt from taxation pursuant
19 to the provisions of the Internal Revenue Code, 26 U.S.C., Section
20 501(c)(3).

21 The exemption provided by this paragraph for sales made by a public or private
22 school shall be limited to those public or private schools accredited by the State

1 Department of Education or registered by the State Board of Education for purposes of
2 participating in federal programs. Sale of tangible personal property in this paragraph
3 shall include sale of admission tickets and concessions at athletic events;

4 14. Sales of tangible personal property by:

- 5 a. local 4-H clubs,
- 6 b. county, regional or state 4-H councils,
- 7 c. county, regional or state 4-H committees,
- 8 d. 4-H leader associations,
- 9 e. county, regional or state 4-H foundations, and
- 10 f. authorized 4-H camps and training centers.

11 The exemption provided by this paragraph shall be limited to sales for the purpose
12 of raising funds for the benefit of such organizations. Sale of tangible personal property
13 exempted by this paragraph shall include sale of admission tickets;

14 15. The first Seventy-five Thousand Dollars (\$75,000.00) each year from sale of
15 tickets and concessions at athletic events by each organization exempt from taxation
16 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(4);

17 16. Items or services which are subsequently given away by the Oklahoma Tourism
18 and Recreation Department as promotional items pursuant to Section 1834 of Title 74 of
19 the Oklahoma Statutes and the sale of advertising in travel brochures and other
20 promotional materials produced at the direction of the Department;

21 17. Sales of tangible personal property or services to fire departments organized
22 pursuant to Section 592 of Title 18 of the Oklahoma Statutes which items are to be used

1 for the purposes of the fire department. Any person making purchases on behalf of any
2 such fire department shall certify, in writing, on the copy of the invoice or sales ticket to
3 be retained by the vendor that the purchases are made for and on behalf of such fire
4 department and set out the name of such fire department. Any person who wrongfully or
5 erroneously certifies that the purchases are for any such fire department or who
6 otherwise violates the provisions of this section shall be deemed guilty of a misdemeanor
7 and upon conviction thereof, shall be fined an amount equal to double the amount of
8 sales tax involved or incarcerated for not more than sixty (60) days, or both;

9 18. Complimentary or free tickets for admission to places of amusement, sports,
10 entertainment, exhibition, display or other recreational events or activities which are
11 issued through a box office or other entity which is operated by a state institution of
12 higher education with institutional employees or by a municipality with municipal
13 employees;

14 19. The first Fifteen Thousand Dollars (\$15,000.00) each year from sales of tangible
15 personal property by fire departments organized pursuant to Titles 11, 18, or 19 of the
16 Oklahoma Statutes for the purposes of raising funds for the benefit of the fire
17 department. Fire departments selling tangible personal property for the purposes of
18 raising funds shall be limited to no more than six (6) days each year to raise such funds
19 in order to receive the exemption granted by this paragraph;

20 20. Sales of tangible personal property or services to any Boys & Girls Clubs of
21 America affiliate in this state which is not affiliated with the Salvation Army and which

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~~Strike thru~~ language denotes deletion from present Statutes.

1 is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26
2 U.S.C., Section 501(c)(3);

3 21. Sales of tangible personal property or services to any organization, which takes
4 court-adjudicated juveniles for purposes of rehabilitation, and which is exempt from
5 taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section
6 501(c)(3), provided that at least fifty percent (50%) of the juveniles served by such
7 organization are court adjudicated and the organization receives state funds in an
8 amount less than ten percent (10%) of the annual budget of the organization;

9 22. Sales of tangible personal property or services to:

- 10 a. any federally qualified community health center as defined in Section
11 254c of Title 42 of the United States Code,
- 12 b. any migrant health center as defined in Section 254b of Title 42 of the
13 United States Code,
- 14 c. any clinic receiving disbursements of state monies from the Indigent
15 Health Care Revolving Fund pursuant to the provisions of Section 66
16 of Title 56 of the Oklahoma Statutes,
- 17 d. any community based health center which meets all of the following
18 criteria:
 - 19 (1) provides primary care services at no cost to the recipient, and
 - 20 (2) is exempt from taxation pursuant to the provisions of Section
21 501(c)(3) of the Internal Revenue Code, 26 U.S.C., Section
22 501(c)(3), and

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1 e. any community mental health center as defined in Section 3-302 of
2 Title 43A of the Oklahoma Statutes;

3 23. Dues or fees, including free or complimentary dues or fees which have a value
4 equivalent to the charge that could have otherwise been made, to YMCAs, YWCAs or
5 municipally-owned recreation centers for the use of facilities and programs;

6 24. The first Fifteen Thousand Dollars (\$15,000.00) each year from sales of tangible
7 personal property or services to or by a cultural organization established to sponsor and
8 promote educational, charitable and cultural events for disadvantaged children, and
9 which organization is exempt from taxation pursuant to the provisions of the Internal
10 Revenue Code, 26 U.S.C., Section 501(c)(3);

11 25. Sales of tangible personal property or services to museums or other entities
12 which have been accredited by the American Association of Museums. Any person
13 making purchases on behalf of any such museum or other entity shall certify, in writing,
14 on the copy of the invoice or sales ticket to be retained by the vendor that the purchases
15 are made for and on behalf of such museum or other entity and set out the name of such
16 museum or other entity. Any person who wrongfully or erroneously certifies that the
17 purchases are for any such museum or other entity or who otherwise violates the
18 provisions of this paragraph shall be deemed guilty of a misdemeanor and, upon
19 conviction thereof, shall be fined an amount equal to double the amount of sales tax
20 involved or incarcerated for not more than sixty (60) days, or by both such fine and
21 incarceration;

1 26. Sales of tickets for admission by any museum accredited by the American
2 Association of Museums. In order to be eligible for the exemption provided by this
3 paragraph, an amount equivalent to the amount of the tax which would otherwise be
4 required to be collected pursuant to the provisions of Section 1350 et seq. of this title
5 shall be separately stated on the admission ticket and shall be collected and used for the
6 sole purpose of servicing or aiding in the servicing of debt incurred by the museum to
7 effect the construction, enlarging or renovation of any facility to be used for
8 entertainment, edification or cultural cultivation to which entry is gained with a paid
9 admission ticket;

10 27. Sales of tangible personal property or services occurring on or after June 1,
11 1995, to children's homes which are supported or sponsored by one or more churches,
12 members of which serve as trustees of the home;

13 28. Sales of tangible personal property or services to the organization known as the
14 Disabled American Veterans, Department of Oklahoma, Inc., and subordinate chapters
15 thereof;

16 29. Sales of tangible personal property or services to youth camps which are
17 supported or sponsored by one or more churches, members of which serve as trustees of
18 the organization;

19 30. Transfer of tangible personal property made pursuant to Section 3226 of Title
20 63 of the Oklahoma Statutes by the University Hospitals Trust;

21 31. Sales of tangible personal property or services to a municipality, county or
22 school district pursuant to a lease or lease-purchase agreement executed between the

1 vendor and a municipality, county or school district. A copy of the lease or lease-
2 purchase agreement shall be retained by the vendor;

3 32. Sales of tangible personal property or services to any spaceport user, as defined
4 in the Oklahoma Space Industry Development Act;

5 33. The sale, use, storage, consumption, or distribution in this state, whether by
6 the importer, exporter, or another person, of any satellite or any associated launch
7 vehicle, including components of, and parts and motors for, any such satellite or launch
8 vehicle, imported or caused to be imported into this state for the purpose of export by
9 means of launching into space. This exemption provided by this paragraph shall not be
10 affected by:

- 11 a. the destruction in whole or in part of the satellite or launch vehicle,
- 12 b. the failure of a launch to occur or be successful, or
- 13 c. the absence of any transfer or title to, or possession of, the satellite or
14 launch vehicle after launch;

15 34. The sale, lease, use, storage, consumption, or distribution in this state of any
16 space facility, space propulsion system or space vehicle, satellite, or station of any kind
17 possessing space flight capacity, including components thereof;

18 35. The sale, lease, use, storage, consumption, or distribution in this state of
19 tangible personal property, placed on or used aboard any space facility, space propulsion
20 system or space vehicle, satellite, or station possessing space flight capacity, which is
21 launched into space, irrespective of whether such tangible property is returned to this
22 state for subsequent use, storage, or consumption in any manner;

1 36. The sale, lease, use, storage, consumption, or distribution in this state of
2 tangible personal property meeting the definition of "section 38 property" as defined in
3 Sections 48(a)(1)(A) and (B)(i) of the Internal Revenue Code of 1986, that is an integral
4 part of and used primarily in support of space flight; however, section 38 property used in
5 support of space flight shall not include general office equipment, any boat, mobile home,
6 motor vehicle, or other vehicle of a class or type required to be registered, licensed, titled,
7 or documented in this state or by the United States government, or any other property
8 not specifically suited to supporting space activity. The term "in support of space flight",
9 for purposes of this paragraph, means the altering, monitoring, controlling, regulating,
10 adjusting, servicing, or repairing of any space facility, space propulsion systems or space
11 vehicle, satellite, or station possessing space flight capacity, including the components
12 thereof;

13 37. The purchase or lease of machinery and equipment for use at a fixed location in
14 this state, which is used exclusively in the manufacturing, processing, compounding, or
15 producing of any space facility, space propulsion system or space vehicle, satellite, or
16 station of any kind possessing space flight capacity. Provided, the exemption provided
17 for in this paragraph shall not be allowed unless the purchaser or lessee signs an
18 affidavit stating that the item or items to be exempted are for the exclusive use
19 designated herein. Any person furnishing a false affidavit to the vendor for the purpose
20 of evading payment of any tax imposed by Section 1354 of this title shall be subject to the
21 penalties provided by law. As used in this paragraph, "machinery and equipment"
22 means "section 38 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the Internal

1 Revenue Code of 1986, which is used as an integral part of the manufacturing,
2 processing, compounding, or producing of items of tangible personal property. Such term
3 includes parts and accessories only to the extent that the exemption thereof is consistent
4 with the provisions of this paragraph;

5 38. The amount of a surcharge or any other amount which is separately stated on
6 an admission ticket which is imposed, collected and used for the sole purpose of
7 constructing, remodeling or enlarging facilities of a public trust having a municipality or
8 county as its sole beneficiary;

9 39. Sales of tangible personal property or services which are directly used in or for
10 the benefit of a state park in this state, which are made to an organization which is
11 exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26
12 U.S.C., Section 501(c)(3) and which is organized primarily for the purpose of supporting
13 one or more state parks located in this state;

14 40. The sale, lease or use of parking privileges by an institution of The Oklahoma
15 State System of Higher Education;

16 41. Sales of tangible personal property or services for use on campus or school
17 construction projects for the benefit of institutions of The Oklahoma State System of
18 Higher Education, private institutions of higher education accredited by the Oklahoma
19 State Regents for Higher Education or any public school or school district when such
20 projects are financed by or through the use of nonprofit entities which are exempt from
21 taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section
22 501(c)(3);

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1 42. Sales of tangible personal property or services by an organization which is
2 exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26
3 U.S.C., Section 501(c)(3), in the course of conducting a national championship sports
4 event, but only if all or a portion of the payment in exchange therefor would qualify as
5 the receipt of a qualified sponsorship payment described in Internal Revenue Code, 26
6 U.S.C., Section 513(i). Sales exempted pursuant to this paragraph shall be exempt from
7 all Oklahoma sales, use, excise and gross receipts taxes;

8 43. Sales of tangible personal property or services to or by an organization which:

9 a. is exempt from taxation pursuant to the provisions of the Internal
10 Revenue Code, 26 U.S.C., Section 501(c)(3),

11 b. is affiliated with a comprehensive university within The Oklahoma
12 State System of Higher Education, and

13 c. has been organized primarily for the purpose of providing education
14 and teacher training and conducting events relating to robotics;

15 44. The first Fifteen Thousand Dollars (\$15,000.00) each year from sales of tangible
16 personal property to or by youth athletic teams which are part of an athletic organization
17 exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26
18 U.S.C., Section 501(c)(4), for the purposes of raising funds for the benefit of the team;

19 45. Sales of tickets for admission to a collegiate athletic event that is held in a
20 facility owned or operated by a municipality or a public trust of which the municipality is
21 the sole beneficiary and that actually determines or is part of a tournament or

1 tournament process for determining a conference tournament championship, a
2 conference championship, or a national championship;

3 46. Sales of tangible personal property or services to or by an organization which is
4 exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26
5 U.S.C., Section 501(c)(3) and is operating the Oklahoma City National Memorial and
6 Museum, an affiliate of the National Park System;

7 47. Sales of tangible personal property or services to organizations which are
8 exempt from federal taxation pursuant to the provisions of Section 501(c)(3) of the
9 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), the memberships of which are
10 limited to honorably discharged veterans, and which furnish financial support to area
11 veterans' organizations to be used for the purpose of constructing a memorial or museum;

12 48. Sales of tangible personal property or services on or after January 1, 2003, to an
13 organization which is exempt from taxation pursuant to the provisions of the Internal
14 Revenue Code, 26 U.S.C., Section 501(c)(3) that is expending monies received from a
15 private foundation grant in conjunction with expenditures of local sales tax revenue to
16 construct a local public library;

17 49. Sales of tangible personal property or services to a state that borders this state
18 or any political subdivision of that state, but only to the extent that the other state or
19 political subdivision exempts or does not impose a tax on similar sales of items to this
20 state or a political subdivision of this state;

1 50. Effective July 1, 2005, sales of tangible personal property or services to the
2 Career Technology Student Organizations under the direction and supervision of the
3 Oklahoma Department of Career and Technology Education;

4 51. Sales of tangible personal property to a public trust having either a single city,
5 town or county or multiple cities, towns or counties or combination thereof as beneficiary
6 or beneficiaries or a nonprofit organization which is exempt from taxation pursuant to
7 the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) for the purpose
8 of constructing improvements to or expanding a hospital or nursing home owned and
9 operated by any such public trust or nonprofit entity prior to the effective date of this act
10 in counties with a population of less than one hundred thousand (100,000) persons,
11 according to the most recent Federal Decennial Census. As used in this paragraph,
12 “constructing improvements to or expanding” shall not mean any expense for routine
13 maintenance or general repairs and shall require a project cost of at least One Hundred
14 Thousand Dollars (\$100,000.00). For purposes of this paragraph, sales made to a
15 contractor or subcontractor that enters into a contractual relationship with a public trust
16 or nonprofit entity as described by this paragraph shall be considered sales made to the
17 public trust or nonprofit entity. The exemption authorized by this paragraph shall be
18 administered in the form of a refund from the sales tax revenues apportioned pursuant to
19 Section 1353 of this title and the vendor shall be required to collect the sales tax
20 otherwise applicable to the transaction. The purchaser may apply for a refund of the
21 sales tax paid in the manner prescribed by this paragraph. Within thirty (30) days after
22 the end of each fiscal year, any purchaser that is entitled to make application for a

1 refund based upon the exempt treatment authorized by this paragraph may file an
2 application for refund of the sales taxes paid during such preceding fiscal year. The Tax
3 Commission shall prescribe a form for purposes of making the application for refund.
4 The Tax Commission shall determine whether or not the total amount of sales tax
5 exemptions claimed by all purchasers is equal to or less than Six Hundred Fifty
6 Thousand Dollars (\$650,000.00). If such claims are less than or equal to that amount,
7 the Tax Commission shall make refunds to the purchasers in the full amount of the
8 documented and verified sales tax amounts. If such claims by all purchasers are in
9 excess of Six Hundred Fifty Thousand Dollars (\$650,000.00), the Tax Commission shall
10 determine the amount of each purchaser's claim, the total amount of all claims by all
11 purchasers, and the percentage each purchaser's claim amount bears to the total. The
12 resulting percentage determined for each purchaser shall be multiplied by Six Hundred
13 Fifty Thousand Dollars (\$650,000.00) to determine the amount of refundable sales tax to
14 be paid to each purchaser. The pro rata refund amount shall be the only method to
15 recover sales taxes paid during the preceding fiscal year and no balance of any sales
16 taxes paid on a pro rata basis shall be the subject of any subsequent refund claim
17 pursuant to this paragraph;

18 52. Effective July 1, 2006, sales of tangible personal property or services to any
19 organization which assists, trains, educates, and provides housing for physically and
20 mentally handicapped persons and which is exempt from taxation pursuant to the
21 provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and that receives at
22 least eighty-five percent (85%) of its annual budget from state or federal funds. In order

1 to receive the benefit of the exemption authorized by this paragraph, the taxpayer shall
2 be required to make payment of the applicable sales tax at the time of sale to the vendor
3 in the manner otherwise required by law. Notwithstanding any other provision of the
4 Oklahoma Uniform Tax Procedure Code to the contrary, the taxpayer shall be authorized
5 to file a claim for refund of sales taxes paid that qualify for the exemption authorized by
6 this paragraph for a period of one (1) year after the date of the sale transaction. The
7 taxpayer shall be required to provide documentation as may be prescribed by the
8 Oklahoma Tax Commission in support of the refund claim. The total amount of sales tax
9 qualifying for exempt treatment pursuant to this paragraph shall not exceed One
10 Hundred Seventy-five Thousand Dollars (\$175,000.00) each fiscal year. Claims for
11 refund shall be processed in the order in which such claims are received by the
12 Oklahoma Tax Commission. If a claim otherwise timely filed exceeds the total amount of
13 refunds payable for a fiscal year, such claim shall be barred;

14 53. The first Two Thousand Dollars (\$2,000.00) each year of sales of tangible
15 personal property or services to, by, or for the benefit of a qualified neighborhood watch
16 organization that is endorsed or supported by or working directly with a law enforcement
17 agency with jurisdiction in the area in which the neighborhood watch organization is
18 located. As used in this paragraph, “qualified neighborhood watch organization” means
19 an organization that is a not-for-profit corporation under the laws of the State of
20 Oklahoma that was created to help prevent criminal activity in an area through
21 community involvement and interaction with local law enforcement and which is one of

1 the first two thousand organizations which makes application to the Oklahoma Tax
2 Commission for the exemption after the effective date of this act;

3 54. Sales of tangible personal property to a nonprofit organization, exempt from
4 taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section
5 501(c)(3), organized primarily for the purpose of providing services to homeless persons
6 during the day and located in a metropolitan area with a population in excess of five
7 hundred thousand (500,000) persons according to the latest Federal Decennial Census.
8 The exemption authorized by this paragraph shall be applicable to sales of tangible
9 personal property to a qualified entity occurring on or after January 1, 2005;

10 55. Sales of tangible personal property or services by an organization which is
11 exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26
12 U.S.C., Section 501(c)(3) made during auction events the principal purpose of which is to
13 provide funding for the preservation of wetlands and habitat for wild ducks;

14 56. Sales of tangible personal property or services by an organization which is
15 exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26
16 U.S.C., Section 501(c)(3) made during auction events the principal purpose of which is to
17 provide funding for the preservation and conservation of wild turkeys;

18 57. Sales of tangible personal property or services to an organization which:

- 19 a. is exempt from taxation pursuant to the provisions of the Internal
20 Revenue Code, 26 U.S.C., Section 501(c)(3), and
21 b. is part of a network of community-based, autonomous member
22 organizations that meets the following criteria:

- 1 (1) serves people with workplace disadvantages and disabilities by
2 providing job training and employment services, as well as job
3 placement opportunities and post-employment support,
4 (2) has locations in the United States and at least twenty other
5 countries,
6 (3) collects donated clothing and household goods to sell in retail
7 stores and provides contract labor services to business and
8 government, and
9 (4) provides documentation to the Oklahoma Tax Commission that
10 over seventy-five percent (75%) of its revenues are channeled
11 into employment, job training and placement programs and
12 other critical community services;

13 58. Sales of tickets made on or after September 21, 2005, and complimentary or
14 free tickets for admission issued on or after September 21, 2005, which have a value
15 equivalent to the charge that would have otherwise been made, for admission to a
16 professional athletic event in which a team in the National Basketball Association is a
17 participant, which is held in a facility owned or operated by a municipality, a county or a
18 public trust of which a municipality or a county is the sole beneficiary, and sales of
19 tickets made on or after the effective date of this act, and complimentary or free tickets
20 for admission issued on or after the effective date of this act, which have a value
21 equivalent to the charge that would have otherwise been made, for admission to a
22 professional athletic event in which a team in the National Hockey League is a

1 participant, which is held in a facility owned or operated by a municipality, a county or a
2 public trust of which a municipality or a county is the sole beneficiary;

3 59. Sales of tickets for admission and complimentary or free tickets for admission
4 which have a value equivalent to the charge that would have otherwise been made to a
5 professional sporting event involving ice hockey, baseball, basketball, football or arena
6 football, or soccer. As used in this paragraph, “professional sporting event” means an
7 organized athletic competition between teams that are members of an organized league
8 or association with centralized management, other than a national league or national
9 association, that imposes requirements for participation in the league upon the teams,
10 the individual athletes or both, and which uses a salary structure to compensate the
11 athletes;

12 60. Sales of tickets for admission to an annual event sponsored by an educational
13 and charitable organization of women which is exempt from taxation pursuant to the
14 provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and has as its
15 mission promoting volunteerism, developing the potential of women and improving the
16 community through the effective action and leadership of trained volunteers;

17 61. Sales of tangible personal property or services to an organization, which is
18 exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26
19 U.S.C., Section 501(c)(3), and which is itself a member of an organization which is
20 exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26
21 U.S.C., Section 501(c)(3), if the membership organization is primarily engaged in
22 advancing the purposes of its member organizations through fundraising, public

1 awareness or other efforts for the benefit of its member organizations, and if the member
2 organization is primarily engaged either in providing educational services and programs
3 concerning health-related diseases and conditions to individuals suffering from such
4 health-related diseases and conditions or their caregivers and family members or support
5 to such individuals, or in health-related research as to such diseases and conditions, or
6 both. In order to qualify for the exemption authorized by this paragraph, the member
7 nonprofit organization shall be required to provide proof to the Oklahoma Tax
8 Commission of its membership status in the membership organization;

9 62. Sales of tangible personal property or services to or by an organization which is
10 part of a national volunteer women’s service organization dedicated to promoting
11 patriotism, preserving American history and securing better education for children and
12 which has at least 168,000 members in 3,000 chapters across the United States;

13 63. Sales of tangible personal property or services to or by a YWCA or YMCA
14 organization which is part of a national nonprofit community service organization
15 working to meet the health and social service needs of its members across the United
16 States; ~~and~~

17 64. Sales of tangible personal property or services to or by ~~a veteran's~~ an
18 organization for veterans which is exempt from taxation pursuant to the provisions of the
19 Internal Revenue Code, 26 U.S.C., Section 501 (c)(19) and including, but not limited to,
20 an organization which is known as the Veterans of Foreign Wars of the United States,
21 Oklahoma Chapters;

1 65. Sales of boxes of food by a church or by an organization, which is exempt from
2 taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501
3 (c)(3). To qualify under the provisions of this paragraph, the organization must be
4 organized for the primary purpose of feeding needy individuals or to encourage volunteer
5 service by requiring such service in order to purchase food. These boxes shall only
6 contain edible staple food items;

7 66. Sales of tangible personal property or services to any person with whom a
8 church has duly entered into a construction contract, necessary for carrying out such
9 contract or to any subcontractor to such a construction contract;

10 67. Sales of tangible personal property or services used exclusively for charitable or
11 educational purposes, to or by an organization which:

- 12 a. is exempt from taxation pursuant to the provisions of the Internal
13 Revenue Code, 26 U.S.C., Section 501(c)(3),
14 b. has filed a Not-for-Profit Certificate of Incorporation in this state, and
15 c. is organized for the purpose of:
- 16 (1) providing training and education to developmentally disabled
17 individuals,
18 (2) educating the community about the rights, abilities and
19 strengths of developmentally disabled individuals, and
20 (3) promoting unity among developmentally disabled individuals in
21 their community and geographic area;

1 68. Sales of tangible personal property or services to any organization which is a
2 shelter for abused, neglected, or abandoned children and which is exempt from taxation
3 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3);
4 provided, until July 1, 2008, such exemption shall apply only to eligible shelters for
5 children from birth to age twelve (12) and after July 1, 2008, such exemption shall apply
6 to eligible shelters for children from birth to age eighteen (18);

7 69. Sales of tangible personal property or services to a child care center which is
8 licensed pursuant to the Oklahoma Child Care Facilities Licensing Act and which:

9 a. possesses a 3-star rating from the Department of Human Services
10 Reaching for the Stars Program or a national accreditation, and

11 b. allows on site universal pre-kindergarten education to be provided to
12 four-year-old children through a contractual agreement with any
13 public school or school district.

14 For the purposes of this paragraph, sales made to any person, firm, agency or entity
15 that has entered previously into a contractual relationship with a child care center for
16 construction and improvement of buildings and other structures owned by the child care
17 center and operated for educational purposes shall be considered sales made to a child
18 care center. Any such person, firm, agency or entity making purchases on behalf of a
19 child care center shall certify in writing, on the copy of the invoice or sales ticket the
20 nature of the purchase. Any such person, or person acting on behalf of a firm, agency or
21 entity making purchases on behalf of a child care center in violation of this paragraph
22 shall be guilty of a misdemeanor and upon conviction thereof shall be fined an amount

1 equal to double the amount of sales tax involved or incarcerated for not more than sixty
2 (60) days or both; and

3 70. a. Sales of tangible personal property to a service organization of mothers
4 who have children who are serving or who have served in the military,
5 which service organization is exempt from taxation pursuant to the
6 provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(19)
7 and which is known as the Blue Star Mothers of America, Inc. The
8 exemption provided by this paragraph shall only apply to the purchase
9 of tangible personal property actually sent to United States military
10 personnel overseas who are serving in a combat zone and not to any
11 other tangible personal property purchased by the organization.

12 Provided, this exemption shall not apply to any sales tax levied by a
13 city, town, county, or any other jurisdiction in this state.

14 b. The exemption authorized by this paragraph shall be administered in
15 the form of a refund from the sales tax revenues apportioned pursuant
16 to Section 1353 of this title, and the vendor shall be required to collect
17 the sales tax otherwise applicable to the transaction. The purchaser
18 may apply for a refund of the state sales tax paid in the manner
19 prescribed by this paragraph. Within sixty (60) days after the end of
20 each calendar quarter, any purchaser that is entitled to make
21 application for a refund based upon the exempt treatment authorized
22 by this paragraph may file an application for refund of the state sales

1 taxes paid during such preceding calendar quarter. The Tax
2 Commission shall prescribe a form for purposes of making the
3 application for refund.

4 c. A purchaser who applies for a refund pursuant to this paragraph shall
5 certify that the items were actually sent to military personnel overseas
6 in a combat zone. Any purchaser that applies for a refund for the
7 purchase of items that are not authorized for exemption under this
8 paragraph shall be subject to a penalty in the amount of Five Hundred
9 Dollars (\$500.00).

10 SECTION 2. This act shall become effective July 1, 2008.

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

14 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
15 dated 03-05-08 - DO PASS, As Amended and Coauthored.