

THE HOUSE OF REPRESENTATIVES
Monday, March 3, 2008

Committee Substitute for
House Bill No. 2833

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 2833 - By: STEELE of the House and RICE of the Senate.

(poor persons - Oklahoma Task Force on Hunger - Oklahoma Food Security Act - sales tax rebate - sales tax exemptions - effective dates – emergency)

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

1 SECTION 1. AMENDATORY Section 1, Chapter 95, O.S.L. 2007 (56 O.S.
2 Supp. 2007, Section 245), is amended to read as follows:

3 Section 245. A. This act shall be known and may be cited as the “Oklahoma Food
4 Security Act”.

5 B. There is hereby created ~~until December 31, 2007,~~ the Oklahoma Task Force on
6 Hunger Food Security Committee to continue until December 31, 2012. The ~~task force~~
7 ~~shall consider, but not be limited to, making recommendations about the following~~
8 purpose of the Committee is to identify, implement and monitor ways to:

9 1. ~~Strategies for coordinating~~ Coordinate services among federal, state, faith-based
10 and nonprofit organizations;

11 2. ~~Strategies for extending~~ Extend existing programs and outreach efforts to serve
12 more people;

- 1 3. ~~Strategies to involve~~ Involve schools ~~to identify~~ in identifying and ~~improve~~
2 improving students' access to sufficient and nutritious food;
- 3 4. ~~Strategies to connect~~ Connect eligible hungry people with existing programs;
- 4 5. ~~Recommendations for provider accountability~~ Support community food security
5 initiatives in Oklahoma communities and encourage food production on the local level;
- 6 6. ~~Recommendations for funding sources to implement the recommendations~~
7 Encourage the use of home and community gardens for food production; and
- 8 7. ~~Recommendations for legislation to implement the findings of the task force~~
9 Support efforts to provide farmers' markets with the technology for accepting food
10 stamps;
- 11 8. Collect and compile detailed county and community data relating to food security
12 issues;
- 13 9. Apply for WIC and Senior Farmers' Market Nutrition Programs in Oklahoma;
- 14 10. Support creative transportation methods for connecting at-risk populations
15 with nutritious foods; and
- 16 11. Eliminate sales tax at farmers' markets.
- 17 ~~B. C.~~ The task force Committee shall be composed of ~~fifteen (15)~~ seventeen (17)
18 members as follows:
- 19 1. The Secretary of Health or a designee;
- 20 2. The Director of the Department of Human Services or a designee;
- 21 3. The Commissioner of Health or a designee;

- 1 4. The Commissioner of Mental Health and Substance Abuse Services or a
2 designee;
- 3 5. The Director of the Oklahoma Health Care Authority or a designee;
- 4 6. The State Superintendent of Public Instruction or a designee;
- 5 7. The Secretary of the Oklahoma Department of Agriculture, Food, and Forestry
6 or a designee;
- 7 8. The Director of the Oklahoma Department of Commerce or a designee;
- 8 ~~7.~~ 9. One member appointed by the Governor from a list submitted by a nonprofit
9 regional food bank organization representing central and western Oklahoma;
- 10 ~~8.~~ 10. One member appointed by the Governor from a list submitted by a nonprofit
11 regional food bank organization representing eastern Oklahoma;
- 12 ~~9.~~ 11. One member appointed by the Governor from a list submitted by a statewide
13 organization of child advocates;
- 14 ~~10.~~ 12. Two members appointed by the President Pro Tempore of the Senate
15 representing faith-based organizations involved in hunger programs;
- 16 ~~11.~~ 13. One member appointed by the President Pro Tempore from a list submitted
17 by a comprehensive antipoverty agency whose mission is to help families in need achieve
18 self-sufficiency;
- 19 ~~12.~~ 14. One member appointed by the Speaker of the House of Representatives
20 from a list submitted by a statewide organization representing senior citizens;

1 ~~13.~~ 15. One member appointed by the Speaker of the House of Representatives
2 from a list submitted by a nonprofit educational organization that assists in developing
3 sustainable food and farming systems; and

4 ~~14.~~ 16. One member appointed by the Speaker of the House of Representatives
5 from a list submitted by a nonprofit organization committed to effective solutions and
6 key policies which affect hunger and poverty.

7 ~~C.~~ D. The members of the ~~task force~~ Committee shall select a chair and vice-chair
8 from among its membership. A quorum of the ~~task force~~ Committee shall be required ~~in~~
9 ~~order~~ for any final action of the ~~task force~~ Committee.

10 ~~D.~~ E. The ~~task force~~ Committee may meet as often as may be required in order to
11 perform the duties imposed upon it.

12 ~~E.~~ F. The meetings of the task force shall be subject to the Oklahoma Open Meeting
13 Act.

14 ~~F.~~ G. Members of the ~~task force~~ Committee shall receive no compensation for their
15 services, but shall be reimbursed for reasonable and necessary travel expenses incurred
16 in the performance of their duties by their respective agency pursuant to the provisions
17 of the State Travel Reimbursement Act. Members appointed by the Governor, the
18 President Pro Tempore of the Senate and the Speaker of the House of Representatives
19 shall be reimbursed by the Department of Human Services pursuant to the provisions of
20 the State Travel Reimbursement Act.

21 ~~G.~~ H. Staff support for the ~~task force~~ Committee shall be provided by the
22 Department of Human Services.

1 ~~H. I.~~ The task force Committee shall submit a report of its findings and
2 recommendations to the Governor, the Speaker of the House of Representatives and the
3 President Pro Tempore of the Senate by December 31, ~~2007~~ of each year.

4 SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma
5 Statutes as Section 245.1 of Title 56, unless there is created a duplication in numbering,
6 reads as follows:

7 The Oklahoma Department of Commerce in conjunction with the Oklahoma Food
8 Security Committee shall work with public and private partnerships to secure funding to
9 increase the capacity of Oklahoma’s food security initiatives.

10 SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma
11 Statutes as Section 1356.2 of Title 68, unless there is created a duplication in numbering,
12 reads as follows:

13 A. Beginning January 1, 2009, and for each calendar year thereafter there shall be
14 allowed as a rebate an amount equal to fifteen percent (15%) of the state sales tax
15 remitted on qualified net sales as defined by subsection B of this section made by an
16 entity described in subsection B of this section.

17 B. As used in this section “qualified net sales” means the net sales of tangible
18 personal property or services by an organization which:

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

21 2. Is part of a network of community-based, autonomous member organizations
22 that meets the following criteria:

- 1 a. 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 b. has locations in the United States and at least twenty other
5 countries,
6 c. collects donated clothing and household goods to sell in retail
7 stores and provides contract labor services to business and
8 government, and
9 d. 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 C. The Oklahoma Tax Commission shall develop a system to provide payment of
14 the rebate provided for in this section to the entity on an annual basis. Payment is to be
15 made not later than ninety (90) days after submission of data by an eligible entity. The
16 Tax Commission is authorized to adopt and enforce any rules necessary to implement
17 this rebate.

18 D. Any taxpayer attempting to claim this rebate must provide the Tax Commission
19 with any information requested by the Tax Commission.

20 SECTION 4. AMENDATORY 68 O.S. 2001, Section 1357, as last amended by
21 Section 1, Chapter 253, O.S.L. 2007 (68 O.S. Supp. 2007, Section 1357), is amended to
22 read as follows:

1 Section 1357. Exemptions – General.

2 There are hereby specifically exempted from the tax levied by the Oklahoma Sales
3 Tax Code:

4 1. Transportation of school pupils to and from elementary schools or high schools in
5 motor or other vehicles;

6 2. Transportation of persons where the fare of each person does not exceed One
7 Dollar (\$1.00), or local transportation of persons within the corporate limits of a
8 municipality except by taxicabs;

9 3. Sales for resale to persons engaged in the business of reselling the articles
10 purchased, whether within or without the state, provided that such sales to residents of
11 this state are made to persons to whom sales tax permits have been issued as provided in
12 the Oklahoma Sales Tax Code. This exemption shall not apply to the sales of articles
13 made to persons holding permits when such persons purchase items for their use and
14 which they are not regularly engaged in the business of reselling; neither shall this
15 exemption apply to sales of tangible personal property to peddlers, solicitors and other
16 salespersons who do not have an established place of business and a sales tax permit.

17 The exemption provided by this paragraph shall apply to sales of motor fuel or diesel fuel
18 to a Group Five vendor, but the use of such motor fuel or diesel fuel by the Group Five
19 vendor shall not be exempt from the tax levied by the Oklahoma Sales Tax Code. The
20 purchase of motor fuel or diesel fuel is exempt from sales tax when the motor fuel is for
21 shipment outside this state and consumed by a common carrier by rail in the conduct of
22 its business. The sales tax shall apply to the purchase of motor fuel or diesel fuel in

1 Oklahoma by a common carrier by rail when such motor fuel is purchased for fueling,
2 within this state, of any locomotive or other motorized flanged wheel equipment;

3 4. Sales of advertising space in newspapers and periodicals;

4 5. Sales of programs relating to sporting and entertainment events, and sales of
5 advertising on billboards (including signage, posters, panels, marquees, or on other
6 similar surfaces, whether indoors or outdoors) or in programs relating to sporting and
7 entertainment events, and sales of any advertising, to be displayed at or in connection
8 with a sporting event, via the Internet, electronic display devices, or through public
9 address or broadcast systems. The exemption authorized by this paragraph shall be
10 effective for all sales made on or after January 1, 2001;

11 6. Sales of any advertising, other than the advertising described by paragraph 5 of
12 this section, via the Internet, electronic display devices, or through the electronic media,
13 including radio, public address or broadcast systems, television (whether through closed
14 circuit broadcasting systems or otherwise), and cable and satellite television, and the
15 servicing of any advertising devices;

16 7. Eggs, feed, supplies, machinery and equipment purchased by persons regularly
17 engaged in the business of raising worms, fish, any insect or any other form of terrestrial
18 or aquatic animal life and used for the purpose of raising same for marketing. This
19 exemption shall only be granted and extended to the purchaser when the items are to be
20 used and in fact are used in the raising of animal life as set out above. Each purchaser
21 shall certify, in writing, on the invoice or sales ticket retained by the vendor that the
22 purchaser is regularly engaged in the business of raising such animal life and that the

1 items purchased will be used only in such business. The vendor shall certify to the
2 Oklahoma Tax Commission that the price of the items has been reduced to grant the full
3 benefit of the exemption. Violation hereof by the purchaser or vendor shall be a
4 misdemeanor;

5 8. Sale of natural or artificial gas and electricity, and associated delivery or
6 transmission services, when sold exclusively for residential use. Provided, this
7 exemption shall not apply to any sales tax levied by a city or town, or a county, or any
8 other jurisdiction in this state;

9 9. In addition to the exemptions authorized by Section 1357.6 of this title, sales of
10 drugs sold pursuant to a prescription written for the treatment of human beings by a
11 person licensed to prescribe the drugs, and sales of insulin and medical oxygen.
12 Provided, this exemption shall not apply to over-the-counter drugs;

13 10. Transfers of title or possession of empty, partially filled, or filled returnable oil
14 and chemical drums to any person who is not regularly engaged in the business of
15 selling, reselling or otherwise transferring empty, partially filled, or filled returnable oil
16 drums;

17 11. Sales of one-way utensils, paper napkins, paper cups, disposable hot containers
18 and other one-way carry out materials to a vendor of meals or beverages;

19 12. Sales of food or food products for home consumption which are purchased in
20 whole or in part with coupons issued pursuant to the federal food stamp program as
21 authorized by Sections 2011 through 2029 of Title 7 of the United States Code, as to that
22 portion purchased with such coupons. The exemption provided for such sales shall be

1 inapplicable to such sales upon the effective date of any federal law that removes the
2 requirement of the exemption as a condition for participation by the state in the federal
3 food stamp program;

4 13. Sales of food or food products, or any equipment or supplies used in the
5 preparation of the food or food products to or by an organization which:

6 a. is exempt from taxation pursuant to the provisions of Section 501(c)(3)
7 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), and which
8 provides and delivers prepared meals for home consumption to elderly
9 or homebound persons as part of a program commonly known as
10 “Meals on Wheels” or “Mobile Meals”, or

11 b. is exempt from taxation pursuant to the provisions of Section 501(c)(3)
12 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), and which
13 receives federal funding pursuant to the Older Americans Act of 1965,
14 as amended, for the purpose of providing nutrition programs for the
15 care and benefit of elderly persons;

16 14. a. Sales of tangible personal property or services to or by organizations
17 which are exempt from taxation pursuant to the provisions of Section
18 501(c)(3) of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
19 and:

20 (1) are primarily involved in the collection and distribution of food
21 and other household products to other organizations that
22 facilitate the distribution of such products to the needy and such

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

4 (2) facilitate the distribution of such products to the needy.

5 b. Sales made in the course of business for profit or savings, competing
6 with other persons engaged in the same or similar business shall not
7 be exempt under this paragraph;

8 15. Sales of tangible personal property or services to children's homes which are
9 located on church-owned property and are operated by organizations exempt from
10 taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section
11 501(c)(3);

12 16. Sales of computers, data processing equipment, related peripherals and
13 telephone, telegraph or telecommunications service and equipment for use in a qualified
14 aircraft maintenance or manufacturing facility. For purposes of this paragraph,
15 "qualified aircraft maintenance or manufacturing facility" means a new or expanding
16 facility primarily engaged in aircraft repair, building or rebuilding whether or not on a
17 factory basis, whose total cost of construction exceeds the sum of Five Million Dollars
18 (\$5,000,000.00) and which employs at least two hundred fifty (250) new full-time-
19 equivalent employees, as certified by the Oklahoma Employment Security Commission,
20 upon completion of the facility. In order to qualify for the exemption provided for by this
21 paragraph, the cost of the items purchased by the qualified aircraft maintenance or

1 manufacturing facility shall equal or exceed the sum of Two Million Dollars
2 (\$2,000,000.00);

3 17. Sales of tangible personal property consumed or incorporated in the
4 construction or expansion of a qualified aircraft maintenance or manufacturing facility as
5 defined in paragraph 16 of this section. For purposes of this paragraph, sales made to a
6 contractor or subcontractor that has previously entered into a contractual relationship
7 with a qualified aircraft maintenance or manufacturing facility for construction or
8 expansion of such a facility shall be considered sales made to a qualified aircraft
9 maintenance or manufacturing facility;

10 18. Sales of the following telecommunications services:

11 a. Interstate and International “800 service”. “800 service” means a
12 “telecommunications service” that allows a caller to dial a toll-free
13 number without incurring a charge for the call. The service is typically
14 marketed under the name “800”, “855”, “866”, “877”, and “888” toll-free
15 calling, and any subsequent numbers designated by the Federal
16 Communications Commission, or

17 b. Interstate and International “900 service”. “900 service” means an
18 inbound toll “telecommunications service” purchased by a subscriber
19 that allows the subscriber’s customers to call in to the subscriber’s
20 prerecorded announcement or live service. “900 service” does not
21 include the charge for: collection services provided by the seller of the
22 “telecommunications services” to the subscriber, or service or product

- 1 sold by the subscriber to the subscriber's customer. The service is
2 typically marketed under the name "900" service, and any subsequent
3 numbers designated by the Federal Communications Commission,
4 c. Interstate and International "private communications service".
5 "Private communications service" means a "telecommunications
6 service" that entitles the customer to exclusive or priority use of a
7 communications channel or group of channels between or among
8 termination points, regardless of the manner in which such channel or
9 channels are connected, and includes switching capacity, extension
10 lines, stations, and any other associated services that are provided in
11 connection with the use of such channel or channels,
12 d. "Value-added nonvoice data service". "Value-added nonvoice data
13 service" means a service that otherwise meets the definition of
14 "telecommunications services" in which computer processing
15 applications are used to act on the form, content, code, or protocol of
16 the information or data primarily for a purpose other than
17 transmission, conveyance or routing,
18 e. Interstate and International telecommunications service which is:
19 (1) rendered by a company for private use within its organization,
20 or
21 (2) used, allocated, or distributed by a company to its affiliated
22 group,

- 1 f. Regulatory assessments and charges, including charges to fund the
2 Oklahoma Universal Service Fund, the Oklahoma Lifeline Fund and
3 the Oklahoma High Cost Fund, and
4 g. Telecommunications nonrecurring charges, including but not limited to
5 the installation, connection, change or initiation of telecommunications
6 services which are not associated with a retail consumer sale;

7 19. Sales of railroad track spikes manufactured and sold for use in this state in the
8 construction or repair of railroad tracks, switches, sidings and turnouts;

9 20. Sales of aircraft and aircraft parts provided such sales occur at a qualified
10 aircraft maintenance facility. As used in this paragraph, “qualified aircraft maintenance
11 facility” means a facility operated by an air common carrier at which there were
12 employed at least two thousand (2,000) full-time-equivalent employees in the preceding
13 year as certified by the Oklahoma Employment Security Commission and which is
14 primarily related to the fabrication, repair, alteration, modification, refurbishing,
15 maintenance, building or rebuilding of commercial aircraft or aircraft parts used in air
16 common carriage. For purposes of this paragraph, “air common carrier” shall also
17 include members of an affiliated group as defined by Section 1504 of the Internal
18 Revenue Code, 26 U.S.C., Section 1504;

19 21. Sales of machinery and equipment purchased and used by persons and
20 establishments primarily engaged in computer services and data processing:

- 21 a. as defined under Industrial Group Numbers 7372 and 7373 of the
22 Standard Industrial Classification (SIC) Manual, latest version, which

1 derive at least fifty percent (50%) of their annual gross revenues from
2 the sale of a product or service to an out-of-state buyer or consumer,
3 and
4 b. as defined under Industrial Group Number 7374 of the SIC Manual,
5 latest version, which derive at least eighty percent (80%) of their
6 annual gross revenues from the sale of a product or service to an out-
7 of-state buyer or consumer.

8 Eligibility for the exemption set out in this paragraph shall be established, subject
9 to review by the Tax Commission, by annually filing an affidavit with the Tax
10 Commission stating that the facility so qualifies and such information as required by the
11 Tax Commission. For purposes of determining whether annual gross revenues are
12 derived from sales to out-of-state buyers or consumers, all sales to the federal
13 government shall be considered to be to an out-of-state buyer or consumer;

14 22. Sales of prosthetic devices to an individual for use by such individual. For
15 purposes of this paragraph, “prosthetic device” shall have the same meaning as provided
16 in Section 1357.6 of this title, but shall not include corrective eye glasses, contact lenses
17 or hearing aids;

18 23. Sales of tangible personal property or services to a motion picture or television
19 production company to be used or consumed in connection with an eligible production.
20 For purposes of this paragraph, “eligible production” means a documentary, special,
21 music video, or a television commercial or television program that will serve as a pilot for
22 or be a segment of an ongoing dramatic or situation comedy series filmed or taped for

1 network or national or regional syndication or a feature-length motion picture intended
2 for theatrical release or for network or national or regional syndication or broadcast. The
3 provisions of this paragraph shall apply to sales occurring on or after July 1, 1996. In
4 order to qualify for the exemption, the motion picture or television production company
5 shall file any documentation and information required to be submitted pursuant to rules
6 promulgated by the Tax Commission;

7 24. Sales of diesel fuel sold for consumption by commercial vessels, barges and
8 other commercial watercraft;

9 25. Sales of tangible personal property or services to tax-exempt independent
10 nonprofit biomedical research foundations that provide educational programs for
11 Oklahoma science students and teachers and to tax-exempt independent nonprofit
12 community blood banks headquartered in this state;

13 26. Effective May 6, 1992, sales of wireless telecommunications equipment to a
14 vendor who subsequently transfers the equipment at no charge or for a discounted
15 charge to a consumer as part of a promotional package or as an inducement to commence
16 or continue a contract for wireless telecommunications services;

17 27. Effective January 1, 1991, leases of rail transportation cars to haul coal to coal-
18 fired plants located in this state which generate electric power;

19 28. Beginning July 1, 2005, sales of aircraft engine repairs, modification, and
20 replacement parts, sales of aircraft frame repairs and modification, aircraft interior
21 modification, and paint, and sales of services employed in the repair, modification and

1 replacement of parts of aircraft engines, aircraft frame and interior repair and
2 modification, and paint;

3 29. Sales of materials and supplies to the owner or operator of a ship, motor vessel
4 or barge that is used in interstate or international commerce if the materials and
5 supplies:

6 a. are loaded on the ship, motor vessel or barge and used in the
7 maintenance and operation of the ship, motor vessel or barge, or

8 b. enter into and become component parts of the ship, motor vessel or
9 barge;

10 30. Sales of tangible personal property made at estate sales at which such property
11 is offered for sale on the premises of the former residence of the decedent by a person
12 who is not required to be licensed pursuant to the Transient Merchant Licensing Act, or
13 who is not otherwise required to obtain a sales tax permit for the sale of such property
14 pursuant to the provisions of Section 1364 of this title; provided:

15 a. such sale or event may not be held for a period exceeding three (3)
16 consecutive days,

17 b. the sale must be conducted within six (6) months of the date of death of
18 the decedent, and

19 c. the exemption allowed by this paragraph shall not be allowed for
20 property that was not part of the decedent's estate;

21 31. Beginning January 1, 2004, sales of electricity and associated delivery and
22 transmission services, when sold exclusively for use by an oil and gas operator for

1 reservoir dewatering projects and associated operations commencing on or after July 1,
2 2003, in which the initial water-to-oil ratio is greater than or equal to five-to-one water-
3 to-oil, and such oil and gas development projects have been classified by the Corporation
4 Commission as a reservoir dewatering unit;

5 32. Sales of prewritten computer software that is delivered electronically. For
6 purposes of this paragraph, “delivered electronically” means delivered to the purchaser
7 by means other than tangible storage media;

8 33. Sales of modular dwelling units when built at a production facility and moved
9 in whole or in parts, to be assembled on-site, and permanently affixed to the real
10 property and used for residential or commercial purposes. The exemption provided by
11 this paragraph shall equal forty-five percent (45%) of the total sales price of the modular
12 dwelling unit. For purposes of this paragraph, “modular dwelling unit” means a
13 structure that is not subject to the motor vehicle excise tax imposed pursuant to Section
14 2103 of this title;

15 34. Sales of tangible personal property or services to persons who are residents of
16 Oklahoma and have been honorably discharged from active service in any branch of the
17 Armed Forces of the United States or Oklahoma National Guard and who have been
18 certified by the United States Department of Veterans Affairs or its successor to be in
19 receipt of disability compensation at the one-hundred-percent rate and the disability
20 shall be permanent and have been sustained through military action or accident or
21 resulting from disease contracted while in such active service; provided, sales for the
22 benefit of the person to a spouse of the eligible person or to a member of the household in

1 which the eligible person resides and who is authorized to make purchases on the
2 person's behalf, when such eligible person is not present at the sale, shall also be exempt
3 for purposes of this paragraph. Sales qualifying for the exemption authorized by this
4 paragraph shall not exceed Twenty-five Thousand Dollars (\$25,000.00) per year per
5 individual. Upon request of the Tax Commission, a person asserting or claiming the
6 exemption authorized by this paragraph shall provide a statement, executed under oath,
7 that the total sales amounts for which the exemption is applicable have not exceeded
8 Twenty-five Thousand Dollars (\$25,000.00) per year. If the amount of such exempt sales
9 exceeds such amount, the sales tax in excess of the authorized amount shall be treated as
10 a direct sales tax liability and may be recovered by the Tax Commission in the same
11 manner provided by law for other taxes, including penalty and interest;

12 35. Sales of electricity to the operator, specifically designated by the ~~Oklahoma~~
13 Corporation Commission, of a spacing unit or lease from which oil is produced or
14 attempted to be produced using enhanced recovery methods, including, but not limited
15 to, increased pressure in a producing formation through the use of water or saltwater if
16 the electrical usage is associated with and necessary for the operation of equipment
17 required to inject or circulate fluids in a producing formation for the purpose of forcing oil
18 or petroleum into a wellbore for eventual recovery and production from the wellhead. In
19 order to be eligible for the sales tax exemption authorized by this paragraph, the total
20 content of oil recovered after the use of enhanced recovery methods shall not exceed one
21 percent (1%) by volume. The exemption authorized by this paragraph shall be applicable

1 only to the state sales tax rate and shall not be applicable to any county or municipal
2 sales tax rate;

3 36. Sales of intrastate charter and tour bus transportation. As used in this
4 paragraph, “intrastate charter and tour bus transportation” means the transportation of
5 persons from one location in this state to another location in this state in a motor vehicle
6 which has been constructed in such a manner that it may lawfully carry more than
7 eighteen persons, and which is ordinarily used or rented to carry persons for
8 compensation. Provided, this exemption shall not apply to regularly scheduled bus
9 transportation for the general public;

10 37. Sales of vitamins, minerals and dietary supplements by a licensed chiropractor
11 to a person who is the patient of such chiropractor at the physical location where the
12 chiropractor provides chiropractic care or services to such patient. The provisions of this
13 paragraph shall not be applicable to any drug, medicine or substance for which a
14 prescription by a licensed physician is required;

15 38. Sales of goods, wares, merchandise, tangible personal property, machinery and
16 equipment to a web search portal located in this state which derives at least eighty
17 percent (80%) of its annual gross revenue from the sale of a product or service to an out-
18 of-state buyer or consumer. For purposes of this paragraph, “web search portal” means
19 an establishment classified under NAICS code 518112 which operates web sites that use
20 a search engine to generate and maintain extensive databases of Internet addresses and
21 content in an easily searchable format;

1 39. Sales of tangible personal property consumed or incorporated in the
2 construction or expansion of a facility for a corporation organized under Section 437 et
3 seq. of Title 18 of the Oklahoma Statutes as a rural electric cooperative. For purposes of
4 this paragraph, sales made to a contractor or subcontractor that has previously entered
5 into a contractual relationship with a rural electric cooperative for construction or
6 expansion of a facility shall be considered sales made to a rural electric cooperative; ~~and~~

7 40. Sales of tangible personal property or services to a business primarily engaged
8 in the repair of consumer electronic goods, including, but not limited to, cell phones,
9 compact disc players, personal computers, MP3 players, digital devices for the storage
10 and retrieval of information through hard-wired or wireless computer or Internet
11 connections, if the devices are sold to the business by the original manufacturer of such
12 devices and the devices are repaired, refitted or refurbished for sale by the entity
13 qualifying for the exemption authorized by this paragraph directly to retail consumers or
14 if the devices are sold to another business entity for sale to retail consumers; and

15 41. Sales of tangible personal property consisting of fresh vegetables, fruits, gourds,
16 nuts or other agricultural products, and not consisting of meat, fish or poultry products,
17 produced in the state and sold in an open-market environment if the consideration paid
18 in a sales transaction does not exceed Three Hundred Dollars (\$300.00). For purposes of
19 the exemption authorized by this paragraph, multiple transactions occurring on the same
20 date involving one customer shall be aggregated.

21 SECTION 5. Sections 1, 2 and 4 of this act shall become effective July 1, 2008.

22 SECTION 6. Section 3 of this act shall become effective January 1, 2009.

1 SECTION 7. It being immediately necessary for the preservation of the public
2 peace, health and safety, an emergency is hereby declared to exist, by reason whereof
3 this act shall take effect and be in full force from and after its passage and approval.
4 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
5 dated 02-28-08 - DO PASS, As Amended and Coauthored.