

THE STATE SENATE
Thursday, April 3, 2008

ENGROSSED

House Bill No. 2833

As Amended

ENGROSSED HOUSE BILL NO. 2833 - By: Steele, BigHorse, Brannon, Collins, Hoskin, Kiesel, McMullen, Pittman and Sherrer of the House and Rice and Williamson 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:~~

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

Section 245. A. This act shall be known and may be cited as the "Oklahoma Food Security Act".

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

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

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

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

- 1 1. The Secretary of Health or a designee;
- 2 2. The Director of the Department of Human Services or a
3 designee;
- 4 3. The Commissioner of Health or a designee;
- 5 4. The Commissioner of Mental Health and Substance Abuse
6 Services or a designee;
- 7 5. The Director of the Oklahoma Health Care Authority or a
8 designee;
- 9 6. The State Superintendent of Public Instruction or a
10 designee;
- 11 7. The Secretary of the Oklahoma Department of Agriculture,
12 Food, and Forestry or a designee;
- 13 8. The Director of the Oklahoma Department of Commerce or a
14 designee;
- 15 ~~7.~~ 9. One member appointed by the Governor from a list
16 submitted by a nonprofit regional food bank organization
17 representing central and western Oklahoma;
- 18 ~~8.~~ 10. One member appointed by the Governor from a list
19 submitted by a nonprofit regional food bank organization
20 representing eastern Oklahoma;
- 21 ~~9.~~ 11. One member appointed by the Governor from a list
22 submitted by a statewide organization of child advocates;

1 ~~10.~~ 12. Two members appointed by the President Pro Tempore of
2 the Senate representing faith-based organizations involved in hunger
3 programs;

4 ~~11.~~ 13. One member appointed by the President Pro Tempore from
5 a list submitted by a comprehensive antipoverty agency whose mission
6 is to help families in need achieve self-sufficiency;

7 ~~12.~~ 14. One member appointed by the Speaker of the House of
8 Representatives from a list submitted by a statewide organization
9 representing senior citizens;

10 ~~13.~~ 15. One member appointed by the Speaker of the House of
11 Representatives from a list submitted by a nonprofit educational
12 organization that assists in developing sustainable food and farming
13 systems; and

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

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

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

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

3 ~~F.~~ G. Members of the ~~task force~~ Committee shall receive no
4 compensation for their services, but shall be reimbursed for
5 reasonable and necessary travel expenses incurred in the performance
6 of their duties by their respective agency pursuant to the
7 provisions of the State Travel Reimbursement Act. Members appointed
8 by the Governor, the President Pro Tempore of the Senate and the
9 Speaker of the House of Representatives shall be reimbursed by the
10 Department of Human Services pursuant to the provisions of the State
11 Travel Reimbursement Act.

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

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

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

21 The Oklahoma Department of Commerce in conjunction with the
22 Oklahoma Food Security Committee shall work with public and private

1 partnerships to secure funding to increase the capacity of
2 Oklahoma's food security initiatives.

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

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

11 B. As used in this section "qualified net sales" means the net
12 sales of tangible personal property or services by an organization
13 which:

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

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

18 a. serves people with workplace disadvantages and
19 disabilities by providing job training and
20 employment services, as well as job placement
21 opportunities and post-employment support,

22 b. has locations in the United States and at least
23 twenty other countries,

- 1 c. collects donated clothing and household goods to
2 sell in retail stores and provides contract labor
3 services to business and government, and
4 d. provides documentation to the Oklahoma Tax
5 Commission that over seventy-five percent (75%)
6 of its revenues are channeled into employment,
7 job training and placement programs and other
8 critical community services.

9 C. The Oklahoma Tax Commission shall develop a system to
10 provide payment of the rebate provided for in this section to the
11 entity on an annual basis. Payment is to be made not later than
12 ninety (90) days after submission of data by an eligible entity.
13 The Tax Commission is authorized to adopt and enforce any rules
14 necessary to implement this rebate.

15 D. Any taxpayer attempting to claim this rebate must provide
16 the Tax Commission with any information requested by the Tax
17 Commission.

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

21 Section 1357. Exemptions - General.

22 There are hereby specifically exempted from the tax levied by
23 the Oklahoma Sales Tax Code:

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

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

6 3. Sales for resale to persons engaged in the business of
7 reselling the articles purchased, whether within or without the
8 state, provided that such sales to residents of this state are made
9 to persons to whom sales tax permits have been issued as provided in
10 the Oklahoma Sales Tax Code. This exemption shall not apply to the
11 sales of articles made to persons holding permits when such persons
12 purchase items for their use and which they are not regularly
13 engaged in the business of reselling; neither shall this exemption
14 apply to sales of tangible personal property to peddlers, solicitors
15 and other salespersons who do not have an established place of
16 business and a sales tax permit. The exemption provided by this
17 paragraph shall apply to sales of motor fuel or diesel fuel to a
18 Group Five vendor, but the use of such motor fuel or diesel fuel by
19 the Group Five vendor shall not be exempt from the tax levied by the
20 Oklahoma Sales Tax Code. The purchase of motor fuel or diesel fuel
21 is exempt from sales tax when the motor fuel is for shipment outside
22 this state and consumed by a common carrier by rail in the conduct
23 of its business. The sales tax shall apply to the purchase of motor

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

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

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

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

21 7. Eggs, feed, supplies, machinery and equipment purchased by
22 persons regularly engaged in the business of raising worms, fish,
23 any insect or any other form of terrestrial or aquatic animal life

1 and used for the purpose of raising same for marketing. This
2 exemption shall only be granted and extended to the purchaser when
3 the items are to be used and in fact are used in the raising of
4 animal life as set out above. Each purchaser shall certify, in
5 writing, on the invoice or sales ticket retained by the vendor that
6 the purchaser is regularly engaged in the business of raising such
7 animal life and that the items purchased will be used only in such
8 business. The vendor shall certify to the Oklahoma Tax Commission
9 that the price of the items has been reduced to grant the full
10 benefit of the exemption. Violation hereof by the purchaser or
11 vendor shall be a misdemeanor;

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

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

22 10. Transfers of title or possession of empty, partially
23 filled, or filled returnable oil and chemical drums to any person

1 who is not regularly engaged in the business of selling, reselling
2 or otherwise transferring empty, partially filled, or filled
3 returnable oil drums;

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

7 12. Sales of food or food products for home consumption which
8 are purchased in whole or in part with coupons issued pursuant to
9 the federal food stamp program as authorized by Sections 2011
10 through 2029 of Title 7 of the United States Code, as to that
11 portion purchased with such coupons. The exemption provided for
12 such sales shall be inapplicable to such sales upon the effective
13 date of any federal law that removes the requirement of the
14 exemption as a condition for participation by the state in the
15 federal food stamp program;

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

19 a. is exempt from taxation pursuant to the provisions of
20 Section 501(c)(3) of the Internal Revenue Code, 26
21 U.S.C., Section 501(c)(3), and which provides and
22 delivers prepared meals for home consumption to
23 elderly or homebound persons as part of a program

1 commonly known as "Meals on Wheels" or "Mobile Meals",
2 or
3 b. is exempt from taxation pursuant to the provisions of
4 Section 501(c)(3) of the Internal Revenue Code, 26
5 U.S.C., Section 501(c)(3), and which receives federal
6 funding pursuant to the Older Americans Act of 1965,
7 as amended, for the purpose of providing nutrition
8 programs for the care and benefit of elderly persons;
9 14. a. Sales of tangible personal property or services to or
10 by organizations which are exempt from taxation
11 pursuant to the provisions of Section 501(c)(3) of the
12 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
13 and:
14 (1) are primarily involved in the collection and
15 distribution of food and other household products
16 to other organizations that facilitate the
17 distribution of such products to the needy and
18 such distributee organizations are exempt from
19 taxation pursuant to the provisions of Section
20 501(c)(3) of the Internal Revenue Code, 26
21 U.S.C., Section 501(c)(3), or
22 (2) facilitate the distribution of such products to
23 the needy.

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

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

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

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

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

12 18. Sales of the following telecommunications services:

13 a. Interstate and International "800 service". "800
14 service" means a "telecommunications service" that
15 allows a caller to dial a toll-free number without
16 incurring a charge for the call. The service is
17 typically marketed under the name "800", "855", "866",
18 "877", and "888" toll-free calling, and any subsequent
19 numbers designated by the Federal Communications
20 Commission, or

21 b. Interstate and International "900 service". "900
22 service" means an inbound toll "telecommunications
23 service" purchased by a subscriber that allows the

1 subscriber's customers to call in to the subscriber's
2 prerecorded announcement or live service. "900
3 service" does not include the charge for: collection
4 services provided by the seller of the
5 "telecommunications services" to the subscriber, or
6 service or product sold by the subscriber to the
7 subscriber's customer. The service is typically
8 marketed under the name "900" service, and any
9 subsequent numbers designated by the Federal
10 Communications Commission,

11 c. Interstate and International "private communications
12 service". "Private communications service" means a
13 "telecommunications service" that entitles the
14 customer to exclusive or priority use of a
15 communications channel or group of channels between or
16 among termination points, regardless of the manner in
17 which such channel or channels are connected, and
18 includes switching capacity, extension lines,
19 stations, and any other associated services that are
20 provided in connection with the use of such channel or
21 channels,

22 d. "Value-added nonvoice data service". "Value-added
23 nonvoice data service" means a service that otherwise

1 meets the definition of "telecommunications services"
2 in which computer processing applications are used to
3 act on the form, content, code, or protocol of the
4 information or data primarily for a purpose other than
5 transmission, conveyance or routing,

6 e. Interstate and International telecommunications
7 service which is:

8 (1) rendered by a company for private use within its
9 organization, or

10 (2) used, allocated, or distributed by a company to
11 its affiliated group,

12 f. Regulatory assessments and charges, including charges
13 to fund the Oklahoma Universal Service Fund, the
14 Oklahoma Lifeline Fund and the Oklahoma High Cost
15 Fund, and

16 g. Telecommunications nonrecurring charges, including but
17 not limited to the installation, connection, change or
18 initiation of telecommunications services which are
19 not associated with a retail consumer sale;

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

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

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

17 a. as defined under Industrial Group Numbers 7372 and
18 7373 of the Standard Industrial Classification (SIC)
19 Manual, latest version, which derive at least fifty
20 percent (50%) of their annual gross revenues from the
21 sale of a product or service to an out-of-state buyer
22 or consumer, and

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

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

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

19 23. Sales of tangible personal property or services to a motion
20 picture or television production company to be used or consumed in
21 connection with an eligible production. For purposes of this
22 paragraph, "eligible production" means a documentary, special, music
23 video, or a television commercial or television program that will

1 serve as a pilot for or be a segment of an ongoing dramatic or
2 situation comedy series filmed or taped for network or national or
3 regional syndication or a feature-length motion picture intended for
4 theatrical release or for network or national or regional
5 syndication or broadcast. The provisions of this paragraph shall
6 apply to sales occurring on or after July 1, 1996. In order to
7 qualify for the exemption, the motion picture or television
8 production company shall file any documentation and information
9 required to be submitted pursuant to rules promulgated by the Tax
10 Commission;

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

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

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

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

4 28. Beginning July 1, 2005, sales of aircraft engine repairs,
5 modification, and replacement parts, sales of aircraft frame repairs
6 and modification, aircraft interior modification, and paint, and
7 sales of services employed in the repair, modification and
8 replacement of parts of aircraft engines, aircraft frame and
9 interior repair and modification, and paint;

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

13 a. are loaded on the ship, motor vessel or barge and used
14 in the maintenance and operation of the ship, motor
15 vessel or barge, or

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

18 30. Sales of tangible personal property made at estate sales at
19 which such property is offered for sale on the premises of the
20 former residence of the decedent by a person who is not required to
21 be licensed pursuant to the Transient Merchant Licensing Act, or who
22 is not otherwise required to obtain a sales tax permit for the sale

1 of such property pursuant to the provisions of Section 1364 of this
2 title; provided:

- 3 a. such sale or event may not be held for a period
4 exceeding three (3) consecutive days,
- 5 b. the sale must be conducted within six (6) months of
6 the date of death of the decedent, and
- 7 c. the exemption allowed by this paragraph shall not be
8 allowed for property that was not part of the
9 decedent's estate;

10 31. Beginning January 1, 2004, sales of electricity and
11 associated delivery and transmission services, when sold exclusively
12 for use by an oil and gas operator for reservoir dewatering projects
13 and associated operations commencing on or after July 1, 2003, in
14 which the initial water-to-oil ratio is greater than or equal to
15 five-to-one water-to-oil, and such oil and gas development projects
16 have been classified by the Corporation Commission as a reservoir
17 dewatering unit;

18 32. Sales of prewritten computer software that is delivered
19 electronically. For purposes of this paragraph, "delivered
20 electronically" means delivered to the purchaser by means other than
21 tangible storage media;

22 33. Sales of modular dwelling units when built at a production
23 facility and moved in whole or in parts, to be assembled on-site,

1 and permanently affixed to the real property and used for
2 residential or commercial purposes. The exemption provided by this
3 paragraph shall equal forty-five percent (45%) of the total sales
4 price of the modular dwelling unit. For purposes of this paragraph,
5 "modular dwelling unit" means a structure that is not subject to the
6 motor vehicle excise tax imposed pursuant to Section 2103 of this
7 title;

8 34. Sales of tangible personal property or services to persons
9 who are residents of Oklahoma and have been honorably discharged
10 from active service in any branch of the Armed Forces of the United
11 States or Oklahoma National Guard and who have been certified by the
12 United States Department of Veterans Affairs or its successor to be
13 in receipt of disability compensation at the one-hundred-percent
14 rate and the disability shall be permanent and have been sustained
15 through military action or accident or resulting from disease
16 contracted while in such active service; provided, sales for the
17 benefit of the person to a spouse of the eligible person or to a
18 member of the household in which the eligible person resides and who
19 is authorized to make purchases on the person's behalf, when such
20 eligible person is not present at the sale, shall also be exempt for
21 purposes of this paragraph. Sales qualifying for the exemption
22 authorized by this paragraph shall not exceed Twenty-five Thousand
23 Dollars (\$25,000.00) per year per individual. Upon request of the

1 Tax Commission, a person asserting or claiming the exemption
2 authorized by this paragraph shall provide a statement, executed
3 under oath, that the total sales amounts for which the exemption is
4 applicable have not exceeded Twenty-five Thousand Dollars
5 (\$25,000.00) per year. If the amount of such exempt sales exceeds
6 such amount, the sales tax in excess of the authorized amount shall
7 be treated as a direct sales tax liability and may be recovered by
8 the Tax Commission in the same manner provided by law for other
9 taxes, including penalty and interest;

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

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

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

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

19 38. Sales of goods, wares, merchandise, tangible personal
20 property, machinery and equipment to a web search portal located in
21 this state which derives at least eighty percent (80%) of its annual
22 gross revenue from the sale of a product or service to an out-of-
23 state buyer or consumer. For purposes of this paragraph, "web

1 search portal" means an establishment classified under NAICS code
2 518112 which operates web sites that use a search engine to generate
3 and maintain extensive databases of Internet addresses and content
4 in an easily searchable format;

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

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

1 41. Sales of tangible personal property consisting of fresh
2 vegetables, fruits, gourds, nuts or other agricultural products, and
3 not consisting of meat, fish or poultry products, produced in the
4 state and sold in an open-market environment if the consideration
5 paid in a sales transaction does not exceed Three Hundred Dollars
6 (\$300.00). For purposes of the exemption authorized by this
7 paragraph, multiple transactions occurring on the same date
8 involving one customer shall be aggregated.

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

11 SECTION 6. Section 3 of this act shall become effective January
12 1, 2009.

13 SECTION 7. It being immediately necessary for the preservation
14 of the public peace, health and safety, an emergency is hereby
15 declared to exist, by reason whereof this act shall take effect and
16 be in full force from and after its passage and approval.

17 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 4-1-08 - DO PASS,
18 As Amended.