

CS for SB 2106

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**THE STATE SENATE**  
**Monday, February 25, 2008**

**Committee Substitute for**  
**Senate Bill No. 2106**

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 2106 - By: JOLLEY, COFFEE,  
GUMM and WILCOXSON of the Senate and TERRILL of the House.

[ revenue and taxation - sales tax exemption - effective  
date ]

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

SECTION 1. AMENDATORY 68 O.S. 2001, Section 1356, as  
last amended by Section 5, Chapter 353, O.S.L. 2007 (68 O.S. Supp.  
2007, Section 1356), is amended to read as follows:

Section 1356. Exemptions - Governmental and nonprofit entities.

There are hereby specifically exempted from the tax levied by  
Section 1350 et seq. of this title:

1. Sale of tangible personal property or services to the United  
States government or to the State of Oklahoma, any political  
subdivision of this state or any agency of a political subdivision  
of this state; provided, all sales to contractors in connection with  
the performance of any contract with the United States government,  
State of Oklahoma or any of its political subdivisions shall not be  
exempted from the tax levied by Section 1350 et seq. of this title,  
except as hereinafter provided;

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

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

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

22          5. Sale of food in cafeterias or lunch rooms of elementary  
23 schools, high schools, colleges or universities which are operated

1 primarily for teachers and pupils and are not operated primarily for  
2 the public or for profit;

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

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

1 and proceeds from the sale of such property are used by the church  
2 or churches or by the organization for charitable purposes;

3 8. The amount of proceeds received from the sale of admission  
4 tickets which is separately stated on the ticket of admission for  
5 the repayment of money borrowed by any accredited state-supported  
6 college or university or any public trust of which a county in this  
7 state is the beneficiary, for the purpose of constructing or  
8 enlarging any facility to be used for the staging of an athletic  
9 event, a theatrical production, or any other form of entertainment,  
10 edification or cultural cultivation to which entry is gained with a  
11 paid admission ticket. Such facilities include, but are not limited  
12 to, athletic fields, athletic stadiums, field houses, amphitheaters  
13 and theaters. To be eligible for this sales tax exemption, the  
14 amount separately stated on the admission ticket shall be a  
15 surcharge which is imposed, collected and used for the sole purpose  
16 of servicing or aiding in the servicing of debt incurred by the  
17 college or university to effect the capital improvements  
18 hereinbefore described;

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

1           10. Sale of tangible personal property or services to any  
2 county, municipality, rural water district, public school district,  
3 the institutions of The Oklahoma State System of Higher Education,  
4 the Grand River Dam Authority, the Northeast Oklahoma Public  
5 Facilities Authority, the Oklahoma Municipal Power Authority, City  
6 of Tulsa-Rogers County Port Authority, Muskogee City-County Port  
7 Authority, the Oklahoma Department of Veterans Affairs, the Broken  
8 Bow Economic Development Authority, Ardmore Development Authority,  
9 Durant Industrial Authority, Oklahoma Ordnance Works Authority or to  
10 any person with whom any of the above-named subdivisions or agencies  
11 of this state has duly entered into a public contract pursuant to  
12 law, necessary for carrying out such public contract or to any  
13 subcontractor to such a public contract. Any person making  
14 purchases on behalf of such subdivision or agency of this state  
15 shall certify, in writing, on the copy of the invoice or sales  
16 ticket to be retained by the vendor that the purchases are made for  
17 and on behalf of such subdivision or agency of this state and set  
18 out the name of such public subdivision or agency. Any person who  
19 wrongfully or erroneously certifies that purchases are for any of  
20 the above-named subdivisions or agencies of this state or who  
21 otherwise violates this section shall be guilty of a misdemeanor and  
22 upon conviction thereof shall be fined an amount equal to double the

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

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

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

19 12. Tuition and educational fees paid to private institutions  
20 of higher education and private elementary and secondary  
21 institutions of education accredited by the State Department of  
22 Education or registered by the State Board of Education for purposes  
23 of participating in federal programs or accredited as defined by the

1 Oklahoma State Regents for Higher Education which are exempt from  
2 taxation pursuant to the provisions of the Internal Revenue Code, 26  
3 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  
7 levels 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  
11 organization,
  - 12 (6) a parent-teacher association or organization  
13 other than as specified in subparagraph b of this  
14 paragraph, or
  - 15 (7) public or private school personnel for purposes  
16 of raising funds for the benefit of a public or  
17 private school, public school district, public or  
18 private school board or public or private school  
19 student group or organization,

20 b. ~~Sales~~ Before January 1, 2014, sales of tangible  
21 personal property made by or to nonprofit parent-  
22 teacher associations or organizations exempt from  
23 taxation pursuant to the provisions of the Internal

1 Revenue Code, 26 U.S.C., Section 501(c)(3) and  
2 nonprofit local public or private school foundations  
3 which solicit money or property in the name of any  
4 public or private school or public school district.

5 The exemption provided by this paragraph for sales made by a  
6 public or private school shall be limited to those public or private  
7 schools accredited by the State Department of Education or  
8 registered by the State Board of Education for purposes of  
9 participating in federal programs. Sale of tangible personal  
10 property in this paragraph shall include sale of admission tickets  
11 and concessions at athletic events;

12 14. Sales of tangible personal property by:

- 13 a. local 4-H clubs,
- 14 b. county, regional or state 4-H councils,
- 15 c. county, regional or state 4-H committees,
- 16 d. 4-H leader associations,
- 17 e. county, regional or state 4-H foundations, and
- 18 f. authorized 4-H camps and training centers.

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

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

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

10          17. Sales of tangible personal property or services to fire  
11 departments organized pursuant to Section 592 of Title 18 of the  
12 Oklahoma Statutes which items are to be used for the purposes of the  
13 fire department. Any person making purchases on behalf of any such  
14 fire department shall certify, in writing, on the copy of the  
15 invoice or sales ticket to be retained by the vendor that the  
16 purchases are made for and on behalf of such fire department and set  
17 out the name of such fire department. Any person who wrongfully or  
18 erroneously certifies that the purchases are for any such fire  
19 department or who otherwise violates the provisions of this section  
20 shall be deemed guilty of a misdemeanor and upon conviction thereof,  
21 shall be fined an amount equal to double the amount of sales tax  
22 involved or incarcerated for not more than sixty (60) days, or both;

1        18. Complimentary or free tickets for admission to places of  
2 amusement, sports, entertainment, exhibition, display or other  
3 recreational events or activities which are issued through a box  
4 office or other entity which is operated by a state institution of  
5 higher education with institutional employees or by a municipality  
6 with municipal employees;

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

15        20. Sales of tangible personal property or services to any Boys  
16 & Girls Clubs of America affiliate in this state which is not  
17 affiliated with the Salvation Army and which is exempt from taxation  
18 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,  
19 Section 501(c) (3);

20        21. Sales of tangible personal property or services to any  
21 organization, which takes court-adjudicated juveniles for purposes  
22 of rehabilitation, and which is exempt from taxation pursuant to the  
23 provisions of the Internal Revenue Code, 26 U.S.C., Section

1 501(c)(3), provided that at least fifty percent (50%) of the  
2 juveniles served by such organization are court adjudicated and the  
3 organization receives state funds in an amount less than ten percent  
4 (10%) of the annual budget of the organization;

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

6 a. any federally qualified community health center as  
7 defined in Section 254c of Title 42 of the United  
8 States Code,

9 b. any migrant health center as defined in Section 254b  
10 of Title 42 of the United States Code,

11 c. any clinic receiving disbursements of state monies  
12 from the Indigent Health Care Revolving Fund pursuant  
13 to the provisions of Section 66 of Title 56 of the  
14 Oklahoma Statutes,

15 d. any community based health center which meets all of  
16 the following criteria:

17 (1) provides primary care services at no cost to the  
18 recipient, and

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

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

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

5        24. The first Fifteen Thousand Dollars (\$15,000.00) each year  
6 from sales of tangible personal property or services to or by a  
7 cultural organization established to sponsor and promote  
8 educational, charitable and cultural events for disadvantaged  
9 children, and which organization is exempt from taxation pursuant to  
10 the provisions of the Internal Revenue Code, 26 U.S.C., Section  
11 501(c)(3);

12        25. Sales of tangible personal property or services to museums  
13 or other entities which have been accredited by the American  
14 Association of Museums. Any person making purchases on behalf of  
15 any such museum or other entity shall certify, in writing, on the  
16 copy of the invoice or sales ticket to be retained by the vendor  
17 that the purchases are made for and on behalf of such museum or  
18 other entity and set out the name of such museum or other entity.  
19 Any person who wrongfully or erroneously certifies that the  
20 purchases are for any such museum or other entity or who otherwise  
21 violates the provisions of this paragraph shall be deemed guilty of  
22 a misdemeanor and, upon conviction thereof, shall be fined an amount  
23 equal to double the amount of sales tax involved or incarcerated for

1 not more than sixty (60) days, or by both such fine and  
2 incarceration;

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

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

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

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



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

5        35. The sale, lease, use, storage, consumption, or distribution  
6 in this state of tangible personal property, placed on or used  
7 aboard any space facility, space propulsion system or space vehicle,  
8 satellite, or station possessing space flight capacity, which is  
9 launched into space, irrespective of whether such tangible property  
10 is returned to this state for subsequent use, storage, or  
11 consumption in any manner;

12        36. The sale, lease, use, storage, consumption, or distribution  
13 in this state of tangible personal property meeting the definition  
14 of "section 38 property" as defined in Sections 48(a)(1)(A) and  
15 (B)(i) of the Internal Revenue Code of 1986, that is an integral  
16 part of and used primarily in support of space flight; however,  
17 section 38 property used in support of space flight shall not  
18 include general office equipment, any boat, mobile home, motor  
19 vehicle, or other vehicle of a class or type required to be  
20 registered, licensed, titled, or documented in this state or by the  
21 United States government, or any other property not specifically  
22 suited to supporting space activity. The term "in support of space  
23 flight", for purposes of this paragraph, means the altering,

1 monitoring, controlling, regulating, adjusting, servicing, or  
2 repairing of any space facility, space propulsion systems or space  
3 vehicle, satellite, or station possessing space flight capacity,  
4 including the components thereof;

5 37. The purchase or lease of machinery and equipment for use at  
6 a fixed location in this state, which is used exclusively in the  
7 manufacturing, processing, compounding, or producing of any space  
8 facility, space propulsion system or space vehicle, satellite, or  
9 station of any kind possessing space flight capacity. Provided, the  
10 exemption provided for in this paragraph shall not be allowed unless  
11 the purchaser or lessee signs an affidavit stating that the item or  
12 items to be exempted are for the exclusive use designated herein.  
13 Any person furnishing a false affidavit to the vendor for the  
14 purpose of evading payment of any tax imposed by Section 1354 of  
15 this title shall be subject to the penalties provided by law. As  
16 used in this paragraph, "machinery and equipment" means "section 38  
17 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the  
18 Internal Revenue Code of 1986, which is used as an integral part of  
19 the manufacturing, processing, compounding, or producing of items of  
20 tangible personal property. Such term includes parts and  
21 accessories only to the extent that the exemption thereof is  
22 consistent with the provisions of this paragraph;

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

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

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

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

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

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

- 13           a. is exempt from taxation pursuant to the provisions of  
14           the Internal Revenue Code, 26 U.S.C., Section  
15           501(c)(3),
- 16           b. is affiliated with a comprehensive university within  
17           The Oklahoma State System of Higher Education, and
- 18           c. has been organized primarily for the purpose of  
19           providing education and teacher training and  
20           conducting events relating to robotics;

21           44. The first Fifteen Thousand Dollars (\$15,000.00) each year  
22 from sales of tangible personal property to or by youth athletic  
23 teams which are part of an athletic organization exempt from

1 taxation pursuant to the provisions of the Internal Revenue Code, 26  
2 U.S.C., Section 501(c)(4), for the purposes of raising funds for the  
3 benefit of the team;

4 45. Sales of tickets for admission to a collegiate athletic  
5 event that is held in a facility owned or operated by a municipality  
6 or a public trust of which the municipality is the sole beneficiary  
7 and that actually determines or is part of a tournament or  
8 tournament process for determining a conference tournament  
9 championship, a conference championship, or a national championship;

10 46. Sales of tangible personal property or services to or by an  
11 organization which is exempt from taxation pursuant to the  
12 provisions of the Internal Revenue Code, 26 U.S.C., Section  
13 501(c)(3) and is operating the Oklahoma City National Memorial and  
14 Museum, an affiliate of the National Park System;

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

22 48. Sales of tangible personal property or services on or after  
23 January 1, 2003, to an organization which is exempt from taxation

1 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,  
2 Section 501(c)(3) that is expending monies received from a private  
3 foundation grant in conjunction with expenditures of local sales tax  
4 revenue to construct a local public library;

5 49. Sales of tangible personal property or services to a state  
6 that borders this state or any political subdivision of that state,  
7 but only to the extent that the other state or political subdivision  
8 exempts or does not impose a tax on similar sales of items to this  
9 state or a political subdivision of this state;

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

14 51. Sales of tangible personal property to a public trust  
15 having either a single city, town or county or multiple cities,  
16 towns or counties or combination thereof as beneficiary or  
17 beneficiaries or a nonprofit organization which is exempt from  
18 taxation pursuant to the provisions of the Internal Revenue Code, 26  
19 U.S.C., Section 501(c)(3) for the purpose of constructing  
20 improvements to or expanding a hospital or nursing home owned and  
21 operated by any such public trust or nonprofit entity prior to the  
22 effective date of this act in counties with a population of less  
23 than one hundred thousand (100,000) persons, according to the most

1 recent Federal Decennial Census. As used in this paragraph,  
2 "constructing improvements to or expanding" shall not mean any  
3 expense for routine maintenance or general repairs and shall require  
4 a project cost of at least One Hundred Thousand Dollars  
5 (\$100,000.00). For purposes of this paragraph, sales made to a  
6 contractor or subcontractor that enters into a contractual  
7 relationship with a public trust or nonprofit entity as described by  
8 this paragraph shall be considered sales made to the public trust or  
9 nonprofit entity. The exemption authorized by this paragraph shall  
10 be administered in the form of a refund from the sales tax revenues  
11 apportioned pursuant to Section 1353 of this title and the vendor  
12 shall be required to collect the sales tax otherwise applicable to  
13 the transaction. The purchaser may apply for a refund of the sales  
14 tax paid in the manner prescribed by this paragraph. Within thirty  
15 (30) days after the end of each fiscal year, any purchaser that is  
16 entitled to make application for a refund based upon the exempt  
17 treatment authorized by this paragraph may file an application for  
18 refund of the sales taxes paid during such preceding fiscal year.  
19 The Tax Commission shall prescribe a form for purposes of making the  
20 application for refund. The Tax Commission shall determine whether  
21 or not the total amount of sales tax exemptions claimed by all  
22 purchasers is equal to or less than Six Hundred Fifty Thousand  
23 Dollars (\$650,000.00). If such claims are less than or equal to

1 that amount, the Tax Commission shall make refunds to the purchasers  
2 in the full amount of the documented and verified sales tax amounts.  
3 If such claims by all purchasers are in excess of Six Hundred Fifty  
4 Thousand Dollars (\$650,000.00), the Tax Commission shall determine  
5 the amount of each purchaser's claim, the total amount of all claims  
6 by all purchasers, and the percentage each purchaser's claim amount  
7 bears to the total. The resulting percentage determined for each  
8 purchaser shall be multiplied by Six Hundred Fifty Thousand Dollars  
9 (\$650,000.00) to determine the amount of refundable sales tax to be  
10 paid to each purchaser. The pro rata refund amount shall be the  
11 only method to recover sales taxes paid during the preceding fiscal  
12 year and no balance of any sales taxes paid on a pro rata basis  
13 shall be the subject of any subsequent refund claim pursuant to this  
14 paragraph;

15 52. Effective July 1, 2006, sales of tangible personal property  
16 or services to any organization which assists, trains, educates, and  
17 provides housing for physically and mentally handicapped persons and  
18 which is exempt from taxation pursuant to the provisions of the  
19 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and that  
20 receives at least eighty-five percent (85%) of its annual budget  
21 from state or federal funds. In order to receive the benefit of the  
22 exemption authorized by this paragraph, the taxpayer shall be  
23 required to make payment of the applicable sales tax at the time of

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

16 53. The first Two Thousand Dollars (\$2,000.00) each year of  
17 sales of tangible personal property or services to, by, or for the  
18 benefit of a qualified neighborhood watch organization that is  
19 endorsed or supported by or working directly with a law enforcement  
20 agency with jurisdiction in the area in which the neighborhood watch  
21 organization is located. As used in this paragraph, "qualified  
22 neighborhood watch organization" means an organization that is a  
23 not-for-profit corporation under the laws of the State of Oklahoma

1 that was created to help prevent criminal activity in an area  
2 through community involvement and interaction with local law  
3 enforcement and which is one of the first two thousand organizations  
4 which makes application to the Oklahoma Tax Commission for the  
5 exemption after the effective date of this act;

6 54. Sales of tangible personal property to a nonprofit  
7 organization, exempt from taxation pursuant to the provisions of the  
8 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), organized  
9 primarily for the purpose of providing services to homeless persons  
10 during the day and located in a metropolitan area with a population  
11 in excess of five hundred thousand (500,000) persons according to  
12 the latest Federal Decennial Census. The exemption authorized by  
13 this paragraph shall be applicable to sales of tangible personal  
14 property to a qualified entity occurring on or after January 1,  
15 2005;

16 55. Sales of tangible personal property or services by an  
17 organization which is exempt from taxation pursuant to the  
18 provisions of the Internal Revenue Code, 26 U.S.C., Section  
19 501(c)(3) made during auction events the principal purpose of which  
20 is to provide funding for the preservation of wetlands and habitat  
21 for wild ducks;

22 56. Sales of tangible personal property or services by an  
23 organization which is exempt from taxation pursuant to the

1 provisions of the Internal Revenue Code, 26 U.S.C., Section  
2 501(c)(3) made during auction events the principal purpose of which  
3 is to provide funding for the preservation and conservation of wild  
4 turkeys;

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

- 7 a. is exempt from taxation pursuant to the provisions of  
8 the Internal Revenue Code, 26 U.S.C., Section  
9 501(c)(3), and
- 10 b. is part of a network of community-based, autonomous  
11 member organizations that meets the following  
12 criteria:
- 13 (1) serves people with workplace disadvantages and  
14 disabilities by providing job training and  
15 employment services, as well as job placement  
16 opportunities and post-employment support,
- 17 (2) has locations in the United States and at least  
18 twenty other countries,
- 19 (3) collects donated clothing and household goods to  
20 sell in retail stores and provides contract labor  
21 services to business and government, and
- 22 (4) provides documentation to the Oklahoma Tax  
23 Commission that over seventy-five percent (75%)

1 of its revenues are channeled into employment,  
2 job training and placement programs and other  
3 critical community services;

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

20 59. Sales of tickets for admission and complimentary or free  
21 tickets for admission which have a value equivalent to the charge  
22 that would have otherwise been made to a professional sporting event  
23 involving ice hockey, baseball, basketball, football or arena

1 football, or soccer. As used in this paragraph, "professional  
2 sporting event" means an organized athletic competition between  
3 teams that are members of an organized league or association with  
4 centralized management, other than a national league or national  
5 association, that imposes requirements for participation in the  
6 league upon the teams, the individual athletes or both, and which  
7 uses a salary structure to compensate the athletes;

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

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

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

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

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

19 64. Sales of tangible personal property or services to or by a  
20 veteran's organization which is exempt from taxation pursuant to the  
21 provisions of the Internal Revenue Code, 26 U.S.C., Section 501  
22 (c)(19) and which is known as the Veterans of Foreign Wars of the  
23 United States, Oklahoma Chapters;

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

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

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

16           a. is exempt from taxation pursuant to the provisions of  
17 the Internal Revenue Code, 26 U.S.C., Section  
18 501(c)(3),

19           b. has filed a Not-for-Profit Certificate of  
20 Incorporation in this state, and

21           c. is organized for the purpose of:

22           (1) providing training and education to  
23           developmentally disabled individuals,

- 1                   (2) educating the community about the rights,
- 2                               abilities and strengths of developmentally
- 3                               disabled individuals, and
- 4                   (3) promoting unity among developmentally disabled
- 5                               individuals in their community and geographic
- 6                               area;

7           68. Sales of tangible personal property or services to any  
8 organization which is a shelter for abused, neglected, or abandoned  
9 children and which is exempt from taxation pursuant to the  
10 provisions of the Internal Revenue Code, 26 U.S.C., Section  
11 501(c)(3); provided, until July 1, 2008, such exemption shall apply  
12 only to eligible shelters for children from birth to age twelve (12)  
13 and after July 1, 2008, such exemption shall apply to eligible  
14 shelters for children from birth to age eighteen (18);

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

- 18           a. possesses a 3-star rating from the Department of Human
- 19                               Services Reaching for the Stars Program or a national
- 20                               accreditation, and
- 21           b. allows on site universal pre-kindergarten education to
- 22                               be provided to four-year-old children through a

1 contractual agreement with any public school or school  
2 district.

3 For the purposes of this paragraph, sales made to any person,  
4 firm, agency or entity that has entered previously into a  
5 contractual relationship with a child care center for construction  
6 and improvement of buildings and other structures owned by the child  
7 care center and operated for educational purposes shall be  
8 considered sales made to a child care center. Any such person,  
9 firm, agency or entity making purchases on behalf of a child care  
10 center shall certify in writing, on the copy of the invoice or sales  
11 ticket the nature of the purchase. Any such person, or person  
12 acting on behalf of a firm, agency or entity making purchases on  
13 behalf of a child care center in violation of this paragraph shall  
14 be guilty of a misdemeanor and upon conviction thereof shall be  
15 fined an amount equal to double the amount of sales tax involved or  
16 incarcerated for not more than sixty (60) days or both; and

17 70. a. Sales of tangible personal property to a service  
18 organization of mothers who have children who are  
19 serving or who have served in the military, which  
20 service organization is exempt from taxation pursuant  
21 to the provisions of the Internal Revenue Code, 26  
22 U.S.C., Section 501(c)(19) and which is known as the  
23 Blue Star Mothers of America, Inc. The exemption

1 provided by this paragraph shall only apply to the  
2 purchase of tangible personal property actually sent  
3 to United States military personnel overseas who are  
4 serving in a combat zone and not to any other tangible  
5 personal property purchased by the organization.  
6 Provided, this exemption shall not apply to any sales  
7 tax levied by a city, town, county, or any other  
8 jurisdiction in this state.

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

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

9           SECTION 2.   This act shall become effective November 1, 2008.

10   COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-19-08 - DO PASS,  
11   As Amended and Coauthored.