

SB 1376

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THE STATE SENATE
Tuesday, February 16, 2010

Senate Bill No. 1376
As Amended

SENATE BILL NO. 1376 - By: Burrage of the Senate and Thompson of the House.

[revenue and taxation - sales tax - 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 8, Chapter 426, O.S.L. 2009 (68 O.S. Supp. 2009, Section 1356), is amended to read as follows:

Section 1356. 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;

2. Sales of property to agents appointed by or under contract with agencies or instrumentalities of the United States government

1 if ownership and possession of such property transfers immediately
2 to the United States government;

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

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

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

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

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

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

17 9. Sales of tangible personal property or services to the
18 council organizations or similar state supervisory organizations of
19 the Boy Scouts of America, Girl Scouts of U.S.A. and Camp Fire USA;

20 10. Sale of tangible personal property or services to any
21 county, municipality, rural water district, public school district,
22 the institutions of The Oklahoma State System of Higher Education,
23 the Grand River Dam Authority, the Northeast Oklahoma Public

1 Facilities Authority, the Oklahoma Municipal Power Authority, City
2 of Tulsa-Rogers County Port Authority, Muskogee City-County Port
3 Authority, the Oklahoma Department of Veterans Affairs, the Broken
4 Bow Economic Development Authority, Ardmore Development Authority,
5 Durant Industrial Authority, Oklahoma Ordnance Works Authority,
6 Central Oklahoma Master Conservancy District, Arbuckle Master
7 Conservancy District, Fort Cobb Master Conservancy District, Foss
8 Reservoir Master Conservancy District, Mountain Park Master
9 Conservancy District, Waurika Lake Master Conservancy District,
10 Department of Central Services only when carrying out a public
11 construction contract on behalf of the Oklahoma Department of
12 Veterans Affairs or to any person with whom any of the above-named
13 subdivisions or agencies of this state has duly entered into a
14 public contract pursuant to law, necessary for carrying out such
15 public contract or to any subcontractor to such a public contract.
16 Any person making purchases on behalf of such subdivision or agency
17 of this state shall certify, in writing, on the copy of the invoice
18 or sales ticket to be retained by the vendor that the purchases are
19 made for and on behalf of such subdivision or agency of this state
20 and set out the name of such public subdivision or agency. Any
21 person who wrongfully or erroneously certifies that purchases are
22 for any of the above-named subdivisions or agencies of this state or
23 who otherwise violates this section shall be guilty of a misdemeanor

1 and upon conviction thereof shall be fined an amount equal to double
2 the amount of sales tax involved or incarcerated for not more than
3 sixty (60) days or both;

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

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

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

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

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

- 6 (1) a public school,
7 (2) a private school offering instruction for grade
8 levels kindergarten through twelfth grade,
9 (3) a public school district,
10 (4) a public or private school board,
11 (5) a public or private school student group or
12 organization,
13 (6) a parent-teacher association or organization
14 other than as specified in subparagraph b of this
15 paragraph, or
16 (7) public or private school personnel for purposes
17 of raising funds for the benefit of a public or
18 private school, public school district, public or
19 private school board or public or private school
20 student group or organization, or

21 b. Sales of tangible personal property made by or to
22 nonprofit parent-teacher associations or organizations
23 exempt from taxation pursuant to the provisions of the

1 Internal Revenue Code, 26 U.S.C., Section 501(c)(3)
2 and before July 1, 2014, nonprofit local public or
3 private school foundations which solicit money or
4 property in the name of any public or private school
5 or public school district.

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

13 14. Sales of tangible personal property by:

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

20 The exemption provided by this paragraph shall be limited to
21 sales for the purpose of raising funds for the benefit of such
22 organizations. Sale of tangible personal property exempted by this
23 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~~ July 1, 2008, in counties with a
23 population of less than one hundred thousand (100,000) persons,

1 according to the most recent Federal Decennial Census. As used in
2 this paragraph, "constructing improvements to or expanding" shall
3 not mean any expense for routine maintenance or general repairs and
4 shall require a project cost of at least One Hundred Thousand
5 Dollars (\$100,000.00). For purposes of this paragraph, sales made
6 to a 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~~ March 29, 2006;

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 to or 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) for events the principal purpose of which is to provide
20 funding for the preservation of wetlands and habitat for wild ducks;

21 56. Sales of tangible personal property or services to or by an
22 organization which is exempt from taxation pursuant to the
23 provisions of the Internal Revenue Code, 26 U.S.C., Section

1 501(c)(3) for events the principal purpose of which is to provide
2 funding for the preservation and conservation of wild turkeys;

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

5 a. is exempt from taxation pursuant to the provisions of
6 the Internal Revenue Code, 26 U.S.C., Section
7 501(c)(3), and

8 b. is part of a network of community-based, autonomous
9 member organizations that meets the following
10 criteria:

- 11 (1) serves people with workplace disadvantages and
12 disabilities by providing job training and
13 employment services, as well as job placement
14 opportunities and post-employment support,
15 (2) has locations in the United States and at least
16 twenty other countries,
17 (3) collects donated clothing and household goods to
18 sell in retail stores and provides contract labor
19 services to business and government, and
20 (4) provides documentation to the Oklahoma Tax
21 Commission that over seventy-five percent (75%)
22 of its revenues are channeled into employment,

1 job training and placement programs and other
2 critical community services;

3 58. Sales of tickets made on or after September 21, 2005, and
4 complimentary or free tickets for admission issued on or after
5 September 21, 2005, which have a value equivalent to the charge that
6 would have otherwise been made, for admission to a professional
7 athletic event in which a team in the National Basketball
8 Association is a participant, which is held in a facility owned or
9 operated by a municipality, a county or a public trust of which a
10 municipality or a county is the sole beneficiary, and sales of
11 tickets made on or after ~~the effective date of this act~~ July 1,
12 2007, and complimentary or free tickets for admission issued on or
13 after ~~the effective date of this act~~ July 1, 2007, which have a
14 value equivalent to the charge that would have otherwise been made,
15 for admission to a professional athletic event in which a team in
16 the National Hockey League is a participant, which is held in a
17 facility owned or operated by a municipality, a county or a public
18 trust of which a municipality or a county is the sole beneficiary;

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

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

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

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

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

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

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

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

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 71. Sales of food and snack items to or by an organization
10 which is exempt from taxation pursuant to the provisions of the
11 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), whose primary
12 and principal purpose is providing funding for scholarships in the
13 medical field;

14 72. Sales of tangible personal property or services for use
15 solely on construction projects for organizations which are exempt
16 from taxation pursuant to the provisions of the Internal Revenue
17 Code, 26 U.S.C., Section 501(c)(3) and whose purpose is providing
18 end-of-life care and access to hospice services to low-income
19 individuals who live in a facility owned by the organization. The
20 exemption provided by this paragraph applies to sales to the
21 organization as well as to sales to any person with whom the
22 organization has duly entered into a construction contract,
23 necessary for carrying out such contract or to any subcontractor to

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

11 73. Sales of tickets for admission to events held by
12 organizations exempt from taxation pursuant to the provisions of the
13 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) that are
14 organized for the purpose of supporting general hospitals licensed
15 by the State Department of Health; ~~and~~

16 74. Sales of tangible personal property or services:
17 a. to a foundation which is exempt from taxation pursuant
18 to the provisions of the Internal Revenue Code, 26
19 U.S.C., Section 501(c)(3) and which raises tax-
20 deductible contributions in support of a wide range of
21 firearms-related public interest activities of the
22 National Rifle Association of America and other

1 organizations that defend and foster Second Amendment
2 rights, and

3 b. to or by a grassroots fundraising program for sales
4 related to events to raise funds for a foundation
5 meeting the qualifications of subparagraph a of this
6 paragraph; and

7 75. Sales of tangible personal property or services to a
8 licensed hospital that:

9 a. provides medical care to children with severe
10 illnesses, injuries, or diseases or who are severely
11 disabled,

12 b. derives at least seventy-five percent (75%) of its
13 annual gross patient care revenues from federal and
14 state health benefit program reimbursement, and

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

18 SECTION 2. This act shall become effective November 1, 2010.

19 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-9-10 - DO PASS,
20 As Amended and Coauthored.