

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1447

By: Mazzei

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5
6 AS INTRODUCED

7 An Act relating to sales and use tax; amending 68
8 O.S. 2011, Section 1354, which relates to sales
9 subject to tax; eliminating exclusion for sales of
10 newspapers and periodicals and tourism broker
11 transportation services; amending 68 O.S. 2011,
12 Sections 1356 and 1357, which relate to sales tax
13 exemptions; eliminating exemptions for sales related
14 to specified organizations or societies, specified
15 council organizations, private educational
16 institutions, certain cultural organizations,
17 accredited museums, admission tickets to museums,
18 public trusts for certain construction projects,
19 tickets to certain national association or league
20 sporting events, tickets to certain sporting events
21 not associated with a national association or league,
22 motion picture and television production companies,
23 modular dwelling units and certain vitamins and other
24 supplements; amending 68 O.S. 2011, Section 1404,
which relates to use tax exemptions; deleting certain
limitation; repealing 68 O.S. 2011, Section 1366,
which relates to sales tax deduction for bad debts;
and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 1354, is
amended to read as follows:

Section 1354. A. There is hereby levied upon all sales, not
otherwise exempted in the Oklahoma Sales Tax Code, an excise tax of

1 four and one-half percent (4.5%) of the gross receipts or gross
2 proceeds of each sale of the following:

3 1. Tangible personal property, ~~except newspapers and~~
4 ~~periodicals;~~

5 2. Natural or artificial gas, electricity, ice, steam, or any
6 other utility or public service, except water, sewage and refuse.

7 Provided, the rate of four and one-half percent (4.5%) shall not
8 apply to sales subject to the provisions of paragraph 6 of Section
9 1357 of this title;

10 3. Transportation for hire to persons by common carriers,
11 including railroads both steam and electric, motor transportation
12 companies, pullman car companies, airlines, and other means of
13 transportation for hire, excluding:

14 a. ~~transportation services provided by a tourism service~~
15 ~~broker which are incidental to the rendition of~~
16 ~~tourism brokerage services by such broker to a~~
17 ~~customer regardless of whether or not such~~
18 ~~transportation services are actually owned and~~
19 ~~operated by the tourism service broker. For purposes~~
20 ~~of this subsection, "tourism service broker" means any~~
21 ~~person, firm, association or corporation or any~~
22 ~~employee of such person, firm, association or~~
23 ~~corporation which, for a fee, commission or other~~
24 ~~valuable consideration, arranges or offers to arrange~~

1 ~~trips, tours or other vacation or recreational travel~~
2 ~~plans for a customer, and~~

3 ~~b.~~ transportation services provided by a funeral
4 establishment to family members and other persons for
5 purposes of conducting a funeral in this state;

6 4. Intrastate, interstate and international telecommunications
7 services sourced to this state in accordance with Section 1354.30 of
8 this title and ancillary services. Provided:

9 a. the term "telecommunications services" shall mean the
10 electronic transmission, conveyance, or routing of
11 voice, data, audio, video, or any other information or
12 signals to a point, or between or among points. The
13 term "telecommunications services" includes such
14 transmission, conveyance, or routing in which computer
15 processing applications are used to act on the form,
16 code or protocol of the content for purposes of
17 transmission, conveyance or routing without regard to
18 whether such service is referred to as voice-over
19 Internet protocol services or is classified by the
20 Federal Communications Commission as enhanced or value
21 added. "Telecommunications services" do not include:

22 (1) data processing and information services that
23 allow data to be generated, acquired, stored,
24 processed, or retrieved and delivered by an

1 electronic transmission to a purchaser where such
2 purchaser's primary purpose for the underlying
3 transaction is the processed data or information,
4 (2) installation or maintenance of wiring or
5 equipment on a customer's premises,
6 (3) tangible personal property,
7 (4) advertising, including but not limited to
8 directory advertising,
9 (5) billing and collection services provided to third
10 parties,
11 (6) Internet access services,
12 (7) radio and television audio and video programming
13 services, regardless of the medium, including the
14 furnishing of transmission, conveyance and
15 routing of such services by the programming
16 service provider. Radio and television audio and
17 video programming services shall include, but not
18 be limited to, cable service as defined in 47
19 U.S.C. 522(6) and audio and video programming
20 services delivered by commercial mobile radio
21 service providers, as defined in 47 C.F.R. 20.3;
22 (8) ancillary services, or
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1 (9) digital products delivered electronically,
2 including but not limited to, software, music,
3 video, reading materials or ring tones,

4 b. the term "interstate" means a "telecommunications
5 service" that originates in one United States state,
6 or a United States territory or possession, and
7 terminates in a different United States state or a
8 United States territory or possession,

9 c. the term "intrastate" means a telecommunications
10 service that originates in one United States state or
11 a United States territory or possession, and
12 terminates in the same United States state or a United
13 States territory or possession,

14 d. the term "ancillary services" means services that are
15 associated with or incidental to the provision of
16 telecommunications services, including but not limited
17 to "detailed telecommunications billing", "directory
18 assistance", "vertical service", and "voice mail
19 services".

20 e. in the case of a bundled transaction that includes
21 telecommunication service, ancillary service, internet
22 access or audio or video programming service:

23 (1) if the price is attributable to products that are
24 taxable and products that are nontaxable, the

1 portion of the price attributable to the
2 nontaxable products may be subject to tax unless
3 the provider can identify by reasonable and
4 verifiable standards such portion for its books
5 and records kept in the regular course of
6 business for other purposes, including, but not
7 limited to, nontax purposes, and

8 (2) the provisions of this paragraph shall apply
9 unless otherwise provided by federal law,

10 f. a sale of prepaid calling service or prepaid wireless
11 calling service shall be taxable at the time of sale
12 to the customer;

13 5. Telecommunications nonrecurring charges, which means an
14 amount billed for the installation, connection, change or initiation
15 of telecommunications services received by a customer;

16 6. Printing or printed matter of all types, kinds, or character
17 and, except for services of printing, copying or photocopying
18 performed by a privately owned scientific and educational library
19 sustained by monthly or annual dues paid by members sharing the use
20 of such services with students interested in the study of geology,
21 petroleum engineering or related subjects, any service of printing
22 or overprinting, including the copying of information by mimeograph,
23 multigraph, or by otherwise duplicating written or printed matter in
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1 any manner, or the production of microfiche containing information
2 from magnetic tapes or other media furnished by customers;

3 7. Service of furnishing rooms by hotel, apartment hotel,
4 public rooming house, motel, public lodging house, or tourist camp;

5 8. Service of furnishing storage or parking privileges by auto
6 hotels or parking lots;

7 9. Computer hardware, software, coding sheets, cards, magnetic
8 tapes or other media on which prewritten programs have been coded,
9 punched, or otherwise recorded, including the gross receipts from
10 the licensing of software programs;

11 10. Foods, confections, and all drinks sold or dispensed by
12 hotels, restaurants, or other dispensers, and sold for immediate
13 consumption upon the premises or delivered or carried away from the
14 premises for consumption elsewhere;

15 11. Advertising of all kinds, types, and characters, including
16 any and all devices used for advertising purposes except those
17 specifically exempt pursuant to the provisions of Section 1357 of
18 this title;

19 12. Dues or fees to clubs including free or complimentary dues
20 or fees which have a value equivalent to the charge that would have
21 otherwise been made, including any fees paid for the use of
22 facilities or services rendered at a health spa or club or any
23 similar facility or business;

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1 13. Tickets for admission to or voluntary contributions made to
2 places of amusement, sports, entertainment, exhibition, display, or
3 other recreational events or activities, including free or
4 complimentary admissions which have a value equivalent to the charge
5 that would have otherwise been made;

6 14. Charges made for the privilege of entering or engaging in
7 any kind of activity, such as tennis, racquetball, or handball, when
8 spectators are charged no admission fee;

9 15. Charges made for the privilege of using items for
10 amusement, sports, entertainment, or recreational activity, such as
11 trampolines or golf carts;

12 16. The rental of equipment for amusement, sports,
13 entertainment, or other recreational activities, such as bowling
14 shoes, skates, golf carts, or other sports or athletic equipment;

15 17. The gross receipts from sales from any vending machine
16 without any deduction for rental to locate the vending machine on
17 the premises of a person who is not the owner or any other
18 deductions therefrom;

19 18. The gross receipts or gross proceeds from the rental or
20 lease of tangible personal property, including rental or lease of
21 personal property when the rental or lease agreement requires the
22 vendor to launder, clean, repair, or otherwise service the rented or
23 leased property on a regular basis, without any deduction for the
24 cost of the service rendered. If the rental or lease charge is

1 based on the retail value of the property at the time of making the
2 rental or lease agreement and the expected life of the property, and
3 the rental or lease charge is separately stated from the service
4 cost in the statement, bill, or invoice delivered to the consumer,
5 the cost of services rendered shall be deducted from the gross
6 receipts or gross proceeds;

7 19. Flowers, plants, shrubs, trees, and other floral items,
8 whether or not produced by the vendor, sold by persons engaged in
9 florist or nursery business in this state, including all orders
10 taken by an Oklahoma business for delivery in another state. All
11 orders taken outside this state for delivery within this state shall
12 not be subject to the taxes levied in this section;

13 20. Tangible personal property sold to persons, peddlers,
14 solicitors, or other salesmen, for resale when there is likelihood
15 that this state will lose tax revenue due to the difficulty of
16 enforcing the provisions of the Oklahoma Sales Tax Code because of:

- 17 a. the operation of the business,
- 18 b. the nature of the business,
- 19 c. the turnover of independent contractors,
- 20 d. the lack of place of business in which to display a
21 permit or keep records,
- 22 e. lack of adequate records,
- 23 f. the fact that the persons are minors or transients,

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1 g. the fact that the persons are engaged in service
2 businesses, or

3 h. any other reasonable reason;

4 21. Any taxable services and tangible personal property
5 including materials, supplies, and equipment sold to contractors for
6 the purpose of developing and improving real estate even though said
7 real estate is intended for resale as real property, hereby declared
8 to be sales to consumers or users, however, taxable materials,
9 supplies and equipment sold to contractors as provided by this
10 subsection which are purchased as a result of and subsequent to the
11 date of a contract entered into either prior to the effective date
12 of any law increasing the rate of sales tax imposed by this article,
13 or entered into prior to the effective date of an ordinance or other
14 measure increasing the sales tax levy of a political subdivision
15 shall be subject to the rate of sales tax applicable, as of the date
16 such contract was entered into, to sales of such materials, supplies
17 and equipment if such purchases are required in order to complete
18 the contract. Such rate shall be applicable to purchases made
19 pursuant to the contract or any change order under the contract
20 until the contract or any change order has been completed, accepted
21 and the contractor has been discharged from any further obligation
22 under the contract or change order or until two (2) years from the
23 date on which the contract was entered into whichever occurs first.
24 The increased sales tax rate shall be applicable to all such

1 purchases at the time of sale and the contractor shall file a claim
2 for refund before the expiration of three (3) years after the date
3 of contract completion or five (5) years after the contract was
4 entered into, whichever occurs earlier. However, the Oklahoma Tax
5 Commission shall prescribe rules and regulations and shall provide
6 procedures for the refund to a contractor of sales taxes collected
7 on purchases eligible for the lower sales tax rate authorized by
8 this subsection; and

9 22. Any taxable services and tangible personal property sold to
10 persons who are primarily engaged in selling their services, such as
11 repairmen, hereby declared to be sales to consumers or users.

12 B. All solicitations or advertisements in print or electronic
13 media by Group Three vendors, for the sale of tangible property to
14 be delivered within this state, shall contain a notice that the sale
15 is subject to Oklahoma sales tax, unless the sale is exempt from
16 such taxation.

17 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1356, is
18 amended to read as follows:

19 Section 1356. Exemptions - Governmental and nonprofit entities.

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

22 1. Sale of tangible personal property or services to the United
23 States government or to the State of Oklahoma, any political
24 subdivision of this state or any agency of a political subdivision

1 of this state; provided, all sales to contractors in connection with
2 the performance of any contract with the United States government,
3 State of Oklahoma or any of its political subdivisions shall not be
4 exempted from the tax levied by Section 1350 et seq. of this title,
5 except as hereinafter provided;

6 2. Sales of property to agents appointed by or under contract
7 with agencies or instrumentalities of the United States government
8 if ownership and possession of such property transfers immediately
9 to the United States government;

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

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

1 the premises of the fair authority in conjunction with and during
2 the time period of a county, district or state fair;

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

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

18 7. Sale of tangible personal property or services to or by
19 churches, except sales made in the course of business for profit or
20 savings, competing with other persons engaged in the same or a
21 similar business or sale of tangible personal property or services
22 by an organization exempt from federal income tax pursuant to
23 Section 501(c)(3) of the Internal Revenue Code of 1986, as amended,
24 made on behalf of or at the request of a church or churches if the

1 sale of such property is conducted not more than once each calendar
2 year for a period not to exceed three (3) days by the organization
3 and proceeds from the sale of such property are used by the church
4 or churches or by the organization for charitable purposes;

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

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

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1 ~~10.~~ 8. 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,
10 Central Oklahoma Master Conservancy District, Arbuckle Master
11 Conservancy District, Fort Cobb Master Conservancy District, Foss
12 Reservoir Master Conservancy District, Mountain Park Master
13 Conservancy District, Waurika Lake Master Conservancy District,
14 Department of Central Services only when carrying out a public
15 construction contract on behalf of the Oklahoma Department of
16 Veterans Affairs or to any person with whom any of the above-named
17 subdivisions or agencies of this state has duly entered into a
18 public contract pursuant to law, necessary for carrying out such
19 public contract or to any subcontractor to such a public contract.
20 Any person making purchases on behalf of such subdivision or agency
21 of this state shall certify, in writing, on the copy of the invoice
22 or sales ticket to be retained by the vendor that the purchases are
23 made for and on behalf of such subdivision or agency of this state
24 and set out the name of such public subdivision or agency. Any

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

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

18 9. Any person, firm, agency or entity making purchases on
19 behalf of any institution, agency or subdivision in this state,
20 shall certify in writing, on the copy of the invoice or sales ticket
21 the nature of the purchases, and violation of this paragraph shall
22 be a misdemeanor as set forth in paragraph ~~10~~ 8 of this section;

23 ~~12.~~ 10. Tuition and educational fees paid to private
24 institutions of higher education and private elementary and

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

7 ~~13.~~

8 11. a. Sales of tangible personal property made by:

9 (1) a public school,

10 (2) a private school offering instruction for grade
11 levels kindergarten through twelfth grade,

12 (3) a public school district,

13 (4) a public or private school board,

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

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

19 (7) public or private school personnel for purposes
20 of raising funds for the benefit of a public or
21 private school, public school district, public or
22 private school board or public or private school
23 student group or organization, or
24

1 b. Sales of tangible personal property made by or to
2 nonprofit parent-teacher associations or organizations
3 exempt from taxation pursuant to the provisions of the
4 Internal Revenue Code, 26 U.S.C., Section 501(c) (3)
5 and before July 1, 2014, nonprofit local public or
6 private school foundations which solicit money or
7 property in the name of any public or private school
8 or public school district.

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

16 ~~14.~~ 12. Sales of tangible personal property by:

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

23 The exemption provided by this paragraph shall be limited to
24 sales for the purpose of raising funds for the benefit of such

1 organizations. Sale of tangible personal property exempted by this
2 paragraph shall include sale of admission tickets;

3 ~~15.~~ 13. The first Seventy-five Thousand Dollars (\$75,000.00)
4 each year from sale of tickets and concessions at athletic events by
5 each organization exempt from taxation pursuant to the provisions of
6 the Internal Revenue Code, 26 U.S.C., Section 501(c)(4);

7 ~~16.~~ 14. Items or services which are subsequently given away by
8 the Oklahoma Tourism and Recreation Department as promotional items
9 pursuant to Section 1834 of Title 74 of the Oklahoma Statutes and
10 the sale of advertising in travel brochures and other promotional
11 materials produced at the direction of the Department;

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

1 ~~18.~~ 16. Complimentary or free tickets for admission to places
2 of 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.~~ 17. The first Fifteen Thousand Dollars (\$15,000.00) each
8 year 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.~~ 18. Sales of tangible personal property or services to any
16 Boys & 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.~~ 19. 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
24 501(c) (3), provided that at least fifty percent (50%) of the

1 juveniles served by such organization are court adjudicated and the
2 organization receives state funds in an amount less than ten percent
3 (10%) of the annual budget of the organization;

4 ~~22.~~ 20. Sales of tangible personal property or services to:

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

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

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

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

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

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

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

23 ~~23.~~ 21. Dues or fees, including free or complimentary dues or
24 fees which have a value equivalent to the charge that could have

1 otherwise been made, to YMCAs, YWCAs or municipally-owned recreation
2 centers for the use of facilities and programs;

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

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

24

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

12 ~~27.~~ 22. Sales of tangible personal property or services
13 occurring on or after June 1, 1995, to children's homes which are
14 supported or sponsored by one or more churches, members of which
15 serve as trustees of the home;

16 ~~28.~~ 23. Sales of tangible personal property or services to the
17 organization known as the Disabled American Veterans, Department of
18 Oklahoma, Inc., and subordinate chapters thereof;

19 ~~29.~~ 24. Sales of tangible personal property or services to
20 youth camps which are supported or sponsored by one or more
21 churches, members of which serve as trustees of the organization;

22 ~~30.~~ 25. Transfer of tangible personal property made pursuant to
23 Section 3226 of Title 63 of the Oklahoma Statutes by the University
24 Hospitals Trust;

1 ~~31.~~ 26. Sales of tangible personal property or services to a
2 municipality, county or school district pursuant to a lease or
3 lease-purchase agreement executed between the vendor and a
4 municipality, county or school district. A copy of the lease or
5 lease-purchase agreement shall be retained by the vendor;

6 ~~32.~~ 27. Sales of tangible personal property or services to any
7 spaceport user, as defined in the Oklahoma Space Industry
8 Development Act;

9 ~~33.~~ 28. The sale, use, storage, consumption, or distribution in
10 this state, whether by the importer, exporter, or another person, of
11 any satellite or any associated launch vehicle, including components
12 of, and parts and motors for, any such satellite or launch vehicle,
13 imported or caused to be imported into this state for the purpose of
14 export by means of launching into space. This exemption provided by
15 this paragraph shall not be affected by:

- 16 a. the destruction in whole or in part of the satellite
- 17 or launch vehicle,
- 18 b. the failure of a launch to occur or be successful, or
- 19 c. the absence of any transfer or title to, or possession
- 20 of, the satellite or launch vehicle after launch;

21 ~~34.~~ 29. The sale, lease, use, storage, consumption, or
22 distribution in this state of any space facility, space propulsion
23 system or space vehicle, satellite, or station of any kind
24 possessing space flight capacity, including components thereof;

1 ~~35.~~ 30. The sale, lease, use, storage, consumption, or
2 distribution in this state of tangible personal property, placed on
3 or used aboard any space facility, space propulsion system or space
4 vehicle, satellite, or station possessing space flight capacity,
5 which is launched into space, irrespective of whether such tangible
6 property is returned to this state for subsequent use, storage, or
7 consumption in any manner;

8 ~~36.~~ 31. The sale, lease, use, storage, consumption, or
9 distribution in this state of tangible personal property meeting the
10 definition of "section 38 property" as defined in Sections
11 48(a)(1)(A) and (B)(i) of the Internal Revenue Code of 1986, that is
12 an integral part of and used primarily in support of space flight;
13 however, section 38 property used in support of space flight shall
14 not include general office equipment, any boat, mobile home, motor
15 vehicle, or other vehicle of a class or type required to be
16 registered, licensed, titled, or documented in this state or by the
17 United States government, or any other property not specifically
18 suited to supporting space activity. The term "in support of space
19 flight", for purposes of this paragraph, means the altering,
20 monitoring, controlling, regulating, adjusting, servicing, or
21 repairing of any space facility, space propulsion systems or space
22 vehicle, satellite, or station possessing space flight capacity,
23 including the components thereof;

1 ~~37.~~ 32. The purchase or lease of machinery and equipment for
2 use at a fixed location in this state, which is used exclusively in
3 the manufacturing, processing, compounding, or producing of any
4 space facility, space propulsion system or space vehicle, satellite,
5 or station of any kind possessing space flight capacity. Provided,
6 the exemption provided for in this paragraph shall not be allowed
7 unless the purchaser or lessee signs an affidavit stating that the
8 item or items to be exempted are for the exclusive use designated
9 herein. Any person furnishing a false affidavit to the vendor for
10 the purpose of evading payment of any tax imposed by Section 1354 of
11 this title shall be subject to the penalties provided by law. As
12 used in this paragraph, "machinery and equipment" means "section 38
13 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the
14 Internal Revenue Code of 1986, which is used as an integral part of
15 the manufacturing, processing, compounding, or producing of items of
16 tangible personal property. Such term includes parts and
17 accessories only to the extent that the exemption thereof is
18 consistent with the provisions of this paragraph;

19 ~~38.~~ 33. The amount of a surcharge or any other amount which is
20 separately stated on an admission ticket which is imposed, collected
21 and used for the sole purpose of constructing, remodeling or
22 enlarging facilities of a public trust having a municipality or
23 county as its sole beneficiary;

24

1 ~~39.~~ 34. Sales of tangible personal property or services which
2 are directly used in or for the benefit of a state park in this
3 state, which are made to an organization which is exempt from
4 taxation pursuant to the provisions of the Internal Revenue Code, 26
5 U.S.C., Section 501(c) (3) and which is organized primarily for the
6 purpose of supporting one or more state parks located in this state;

7 ~~40.~~ 35. The sale, lease or use of parking privileges by an
8 institution of The Oklahoma State System of Higher Education;

9 ~~41.~~ 36. Sales of tangible personal property or services for use
10 on campus or school construction projects for the benefit of
11 institutions of The Oklahoma State System of Higher Education,
12 private institutions of higher education accredited by the Oklahoma
13 State Regents for Higher Education or any public school or school
14 district when such projects are financed by or through the use of
15 nonprofit entities which are exempt from taxation pursuant to the
16 provisions of the Internal Revenue Code, 26 U.S.C., Section
17 501(c) (3);

18 ~~42.~~ 37. Sales of tangible personal property or services by an
19 organization which is exempt from taxation pursuant to the
20 provisions of the Internal Revenue Code, 26 U.S.C., Section
21 501(c) (3), in the course of conducting a national championship
22 sports event, but only if all or a portion of the payment in
23 exchange therefor would qualify as the receipt of a qualified
24 sponsorship payment described in Internal Revenue Code, 26 U.S.C.,

1 Section 513(i). Sales exempted pursuant to this paragraph shall be
2 exempt from all Oklahoma sales, use, excise and gross receipts
3 taxes;

4 ~~43.~~ 38. Sales of tangible personal property or services to or
5 by an organization which:

6 a. is exempt from taxation pursuant to the provisions of
7 the Internal Revenue Code, 26 U.S.C., Section
8 501(c)(3),

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

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

14 ~~44.~~ 39. The first Fifteen Thousand Dollars (\$15,000.00) each
15 year from sales of tangible personal property to or by youth
16 athletic teams which are part of an athletic organization exempt
17 from taxation pursuant to the provisions of the Internal Revenue
18 Code, 26 U.S.C., Section 501(c)(4), for the purposes of raising
19 funds for the benefit of the team;

20 ~~45.~~ 40. Sales of tickets for admission to a collegiate athletic
21 event that is held in a facility owned or operated by a municipality
22 or a public trust of which the municipality is the sole beneficiary
23 and that actually determines or is part of a tournament or
24

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

3 ~~46.~~ 41. Sales of tangible personal property or services to or
4 by an organization which is exempt from taxation pursuant to the
5 provisions of the Internal Revenue Code, 26 U.S.C., Section
6 501(c)(3) and is operating the Oklahoma City National Memorial and
7 Museum, an affiliate of the National Park System;

8 ~~47.~~ 42. Sales of tangible personal property or services to
9 organizations which are exempt from federal taxation pursuant to the
10 provisions of Section 501(c)(3) of the Internal Revenue Code, 26
11 U.S.C., Section 501(c)(3), the memberships of which are limited to
12 honorably discharged veterans, and which furnish financial support
13 to area veterans' organizations to be used for the purpose of
14 constructing a memorial or museum;

15 ~~48.~~ 43. Sales of tangible personal property or services on or
16 after January 1, 2003, to an organization which is exempt from
17 taxation pursuant to the provisions of the Internal Revenue Code, 26
18 U.S.C., Section 501(c)(3) that is expending monies received from a
19 private foundation grant in conjunction with expenditures of local
20 sales tax revenue to construct a local public library;

21 ~~49.~~ 44. Sales of tangible personal property or services to a
22 state that borders this state or any political subdivision of that
23 state, but only to the extent that the other state or political
24

1 subdivision exempts or does not impose a tax on similar sales of
2 items to this state or a political subdivision of this state;

3 ~~50.~~ 45. Effective July 1, 2005, sales of tangible personal
4 property or services to the Career Technology Student Organizations
5 under the direction and supervision of the Oklahoma Department of
6 Career and Technology Education;

7 ~~51.~~ ~~Sales of tangible personal property to a public trust~~
8 ~~having either a single city, town or county or multiple cities,~~
9 ~~towns or counties or combination thereof as beneficiary or~~
10 ~~beneficiaries or a nonprofit organization which is exempt from~~
11 ~~taxation pursuant to the provisions of the Internal Revenue Code, 26~~
12 ~~U.S.C., Section 501(c)(3) for the purpose of constructing~~
13 ~~improvements to or expanding a hospital or nursing home owned and~~
14 ~~operated by any such public trust or nonprofit entity prior to the~~
15 ~~effective date of this act in counties with a population of less~~
16 ~~than one hundred thousand (100,000) persons, according to the most~~
17 ~~recent Federal Decennial Census. As used in this paragraph,~~
18 ~~"constructing improvements to or expanding" shall not mean any~~
19 ~~expense for routine maintenance or general repairs and shall require~~
20 ~~a project cost of at least One Hundred Thousand Dollars~~
21 ~~(\$100,000.00). For purposes of this paragraph, sales made to a~~
22 ~~contractor or subcontractor that enters into a contractual~~
23 ~~relationship with a public trust or nonprofit entity as described by~~
24 ~~this paragraph shall be considered sales made to the public trust or~~

1 ~~nonprofit entity. The exemption authorized by this paragraph shall~~
2 ~~be administered in the form of a refund from the sales tax revenues~~
3 ~~apportioned pursuant to Section 1353 of this title and the vendor~~
4 ~~shall be required to collect the sales tax otherwise applicable to~~
5 ~~the transaction. The purchaser may apply for a refund of the sales~~
6 ~~tax paid in the manner prescribed by this paragraph. Within thirty~~
7 ~~(30) days after the end of each fiscal year, any purchaser that is~~
8 ~~entitled to make application for a refund based upon the exempt~~
9 ~~treatment authorized by this paragraph may file an application for~~
10 ~~refund of the sales taxes paid during such preceding fiscal year.~~
11 ~~The Tax Commission shall prescribe a form for purposes of making the~~
12 ~~application for refund. The Tax Commission shall determine whether~~
13 ~~or not the total amount of sales tax exemptions claimed by all~~
14 ~~purchasers is equal to or less than Six Hundred Fifty Thousand~~
15 ~~Dollars (\$650,000.00). If such claims are less than or equal to~~
16 ~~that amount, the Tax Commission shall make refunds to the purchasers~~
17 ~~in the full amount of the documented and verified sales tax amounts.~~
18 ~~If such claims by all purchasers are in excess of Six Hundred Fifty~~
19 ~~Thousand Dollars (\$650,000.00), the Tax Commission shall determine~~
20 ~~the amount of each purchaser's claim, the total amount of all claims~~
21 ~~by all purchasers, and the percentage each purchaser's claim amount~~
22 ~~bears to the total. The resulting percentage determined for each~~
23 ~~purchaser shall be multiplied by Six Hundred Fifty Thousand Dollars~~
24 ~~(\$650,000.00) to determine the amount of refundable sales tax to be~~

1 ~~paid to each purchaser. The pro rata refund amount shall be the~~
2 ~~only method to recover sales taxes paid during the preceding fiscal~~
3 ~~year and no balance of any sales taxes paid on a pro rata basis~~
4 ~~shall be the subject of any subsequent refund claim pursuant to this~~
5 ~~paragraph;~~

6 ~~52.~~ 46. Effective July 1, 2006, sales of tangible personal
7 property or services to any organization which assists, trains,
8 educates, and provides housing for physically and mentally
9 handicapped persons and which is exempt from taxation pursuant to
10 the provisions of the Internal Revenue Code, 26 U.S.C., Section
11 501(c) (3) and that receives at least eighty-five percent (85%) of
12 its annual budget from state or federal funds. In order to receive
13 the benefit of the exemption authorized by this paragraph, the
14 taxpayer shall be required to make payment of the applicable sales
15 tax at the time of sale to the vendor in the manner otherwise
16 required by law. Notwithstanding any other provision of the
17 Oklahoma Uniform Tax Procedure Code to the contrary, the taxpayer
18 shall be authorized to file a claim for refund of sales taxes paid
19 that qualify for the exemption authorized by this paragraph for a
20 period of one (1) year after the date of the sale transaction. The
21 taxpayer shall be required to provide documentation as may be
22 prescribed by the Oklahoma Tax Commission in support of the refund
23 claim. The total amount of sales tax qualifying for exempt
24 treatment pursuant to this paragraph shall not exceed One Hundred

1 Seventy-five Thousand Dollars (\$175,000.00) each fiscal year.
2 Claims for refund shall be processed in the order in which such
3 claims are received by the Oklahoma Tax Commission. If a claim
4 otherwise timely filed exceeds the total amount of refunds payable
5 for a fiscal year, such claim shall be barred;

6 ~~53.~~ 47. The first Two Thousand Dollars (\$2,000.00) each year of
7 sales of tangible personal property or services to, by, or for the
8 benefit of a qualified neighborhood watch organization that is
9 endorsed or supported by or working directly with a law enforcement
10 agency with jurisdiction in the area in which the neighborhood watch
11 organization is located. As used in this paragraph, "qualified
12 neighborhood watch organization" means an organization that is a
13 not-for-profit corporation under the laws of the State of Oklahoma
14 that was created to help prevent criminal activity in an area
15 through community involvement and interaction with local law
16 enforcement and which is one of the first two thousand organizations
17 which makes application to the Oklahoma Tax Commission for the
18 exemption after ~~the effective date of this act~~ March 29, 2006;

19 ~~54.~~ 48. Sales of tangible personal property to a nonprofit
20 organization, exempt from taxation pursuant to the provisions of the
21 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), organized
22 primarily for the purpose of providing services to homeless persons
23 during the day and located in a metropolitan area with a population
24 in excess of five hundred thousand (500,000) persons according to

1 the latest Federal Decennial Census. The exemption authorized by
2 this paragraph shall be applicable to sales of tangible personal
3 property to a qualified entity occurring on or after January 1,
4 2005;

5 ~~55.~~ 49. Sales of tangible personal property or services to or
6 by an organization which is exempt from taxation pursuant to the
7 provisions of the Internal Revenue Code, 26 U.S.C., Section
8 501(c)(3) for events the principal purpose of which is to provide
9 funding for the preservation of wetlands and habitat for wild ducks;

10 ~~56.~~ 50. Sales of tangible personal property or services to or
11 by an 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) for events the principal purpose of which is to provide
14 funding for the preservation and conservation of wild turkeys;

15 ~~57.~~ 51. Sales of tangible personal property or services to an
16 organization which:

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

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

23 (1) serves people with workplace disadvantages and
24 disabilities by providing job training and

1 employment services, as well as job placement
2 opportunities and post-employment support,

3 (2) has locations in the United States and at least
4 twenty other countries,

5 (3) collects donated clothing and household goods to
6 sell in retail stores and provides contract labor
7 services to business and government, and

8 (4) provides documentation to the Oklahoma Tax
9 Commission that over seventy-five percent (75%)
10 of its revenues are channeled into employment,
11 job training and placement programs and other
12 critical community services;

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

1 ~~professional athletic event in which a team in the National Hockey~~
2 ~~League is a participant, which is held in a facility owned or~~
3 ~~operated by a municipality, a county or a public trust of which a~~
4 ~~municipality or a county is the sole beneficiary;~~

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

16 ~~60.~~ 52. Sales of tickets for admission to an annual event
17 sponsored by an educational and charitable organization of women
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 has as its
20 mission promoting volunteerism, developing the potential of women
21 and improving the community through the effective action and
22 leadership of trained volunteers;

23 ~~61.~~ 53. Sales of tangible personal property or services to an
24 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), and which is itself a member of an organization which is
3 exempt from taxation pursuant to the provisions of the Internal
4 Revenue Code, 26 U.S.C., Section 501(c)(3), if the membership
5 organization is primarily engaged in advancing the purposes of its
6 member organizations through fundraising, public awareness or other
7 efforts for the benefit of its member organizations, and if the
8 member organization is primarily engaged either in providing
9 educational services and programs concerning health-related diseases
10 and conditions to individuals suffering from such health-related
11 diseases and conditions or their caregivers and family members or
12 support to such individuals, or in health-related research as to
13 such diseases and conditions, or both. In order to qualify for the
14 exemption authorized by this paragraph, the member nonprofit
15 organization shall be required to provide proof to the Oklahoma Tax
16 Commission of its membership status in the membership organization;

17 ~~62.~~ 54. Sales of tangible personal property or services to or
18 by an organization which is part of a national volunteer women's
19 service organization dedicated to promoting patriotism, preserving
20 American history and securing better education for children and
21 which has at least 168,000 members in 3,000 chapters across the
22 United States;

23 ~~63.~~ 55. Sales of tangible personal property or services to or
24 by a YWCA or YMCA organization which is part of a national nonprofit

1 community service organization working to meet the health and social
2 service needs of its members across the United States;

3 ~~64.~~ 56. Sales of tangible personal property or services to or
4 by a veteran's organization which is exempt from taxation pursuant
5 to the provisions of the Internal Revenue Code, 26 U.S.C., Section
6 501 (c) (19) and which is known as the Veterans of Foreign Wars of
7 the United States, Oklahoma Chapters;

8 ~~65.~~ 57. Sales of boxes of food by a church or by an
9 organization, which is exempt from taxation pursuant to the
10 provisions of the Internal Revenue Code, 26 U.S.C., Section 501
11 (c) (3). To qualify under the provisions of this paragraph, the
12 organization must be organized for the primary purpose of feeding
13 needy individuals or to encourage volunteer service by requiring
14 such service in order to purchase food. These boxes shall only
15 contain edible staple food items;

16 ~~66.~~ 58. Sales of tangible personal property or services to any
17 person with whom a church has duly entered into a construction
18 contract, necessary for carrying out such contract or to any
19 subcontractor to such a construction contract;

20 ~~67.~~ 59. Sales of tangible personal property or services used
21 exclusively for charitable or educational purposes, to or by an
22 organization which:
23
24

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

15 ~~68.~~ 60. Sales of tangible personal property or services to any
16 organization which is a shelter for abused, neglected, or abandoned
17 children and which is exempt from taxation pursuant to the
18 provisions of the Internal Revenue Code, 26 U.S.C., Section
19 501(c)(3); provided, until July 1, 2008, such exemption shall apply
20 only to eligible shelters for children from birth to age twelve (12)
21 and after July 1, 2008, such exemption shall apply to eligible
22 shelters for children from birth to age eighteen (18);

1 ~~69.~~ 61. Sales of tangible personal property or services to a
2 child care center which is licensed pursuant to the Oklahoma Child
3 Care Facilities Licensing Act and which:

- 4 a. possesses a 3-star rating from the Department of Human
5 Services Reaching for the Stars Program or a national
6 accreditation, and
- 7 b. allows on site universal pre-kindergarten education to
8 be provided to four-year-old children through a
9 contractual agreement with any public school or school
10 district.

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

1 ~~70.~~

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

17 b. The exemption authorized by this paragraph shall be
18 administered in the form of a refund from the sales
19 tax revenues apportioned pursuant to Section 1353 of
20 this title, and the vendor shall be required to
21 collect the sales tax otherwise applicable to the
22 transaction. The purchaser may apply for a refund of
23 the state sales tax paid in the manner prescribed by
24 this paragraph. Within sixty (60) days after the end

1 of each calendar quarter, any purchaser that is
2 entitled to make application for a refund based upon
3 the exempt treatment authorized by this paragraph may
4 file an application for refund of the state sales
5 taxes paid during such preceding calendar quarter.

6 The Tax Commission shall prescribe a form for purposes
7 of making the application for refund.

8 c. A purchaser who applies for a refund pursuant to this
9 paragraph shall certify that the items were actually
10 sent to military personnel overseas in a combat zone.
11 Any purchaser that applies for a refund for the
12 purchase of items that are not authorized for
13 exemption under this paragraph shall be subject to a
14 penalty in the amount of Five Hundred Dollars
15 (\$500.00);

16 ~~71.~~ 63. Sales of food and snack items to or by an organization
17 which is exempt from taxation pursuant to the provisions of the
18 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), whose primary
19 and principal purpose is providing funding for scholarships in the
20 medical field;

21 ~~72.~~ 64. Sales of tangible personal property or services for use
22 solely on construction projects for organizations which are exempt
23 from taxation pursuant to the provisions of the Internal Revenue
24 Code, 26 U.S.C., Section 501(c)(3) and whose purpose is providing

1 end-of-life care and access to hospice services to low-income
2 individuals who live in a facility owned by the organization. The
3 exemption provided by this paragraph applies to sales to the
4 organization as well as to sales to any person with whom the
5 organization has duly entered into a construction contract,
6 necessary for carrying out such contract or to any subcontractor to
7 such a construction contract. Any person making purchases on behalf
8 of such organization shall certify, in writing, on the copy of the
9 invoice or sales ticket to be retained by the vendor that the
10 purchases are made for and on behalf of such organization and set
11 out the name of such organization. Any person who wrongfully or
12 erroneously certifies that purchases are for any of the above-named
13 organizations or who otherwise violates this section shall be guilty
14 of a misdemeanor and upon conviction thereof shall be fined an
15 amount equal to double the amount of sales tax involved or
16 incarcerated for not more than sixty (60) days or both;

17 ~~73.~~ 65. Sales of tickets for admission to events held by
18 organizations exempt from taxation pursuant to the provisions of the
19 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) that are
20 organized for the purpose of supporting general hospitals licensed
21 by the State Department of Health; and

22 ~~74.~~ 66. Sales of tangible personal property or services:

23 a. to a foundation which is exempt from taxation pursuant
24 to the provisions of the Internal Revenue Code, 26

1 U.S.C., Section 501(c)(3) and which raises tax-
2 deductible contributions in support of a wide range of
3 firearms-related public interest activities of the
4 National Rifle Association of America and other
5 organizations that defend and foster Second Amendment
6 rights, and

7 b. to or by a grassroots fundraising program for sales
8 related to events to raise funds for a foundation
9 meeting the qualifications of subparagraph a of this
10 paragraph.

11 SECTION 3. AMENDATORY 68 O.S. 2011, Section 1357, is
12 amended to read as follows:

13 Section 1357. Exemptions - General.

14 There are hereby specifically exempted from the tax levied by
15 the Oklahoma Sales Tax Code:

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

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

21 3. Sales for resale to persons engaged in the business of
22 reselling the articles purchased, whether within or without the
23 state, provided that such sales to residents of this state are made
24 to persons to whom sales tax permits have been issued as provided in

1 the Oklahoma Sales Tax Code. This exemption shall not apply to the
2 sales of articles made to persons holding permits when such persons
3 purchase items for their use and which they are not regularly
4 engaged in the business of reselling; neither shall this exemption
5 apply to sales of tangible personal property to peddlers, solicitors
6 and other salespersons who do not have an established place of
7 business and a sales tax permit. The exemption provided by this
8 paragraph shall apply to sales of motor fuel or diesel fuel to a
9 Group Five vendor, but the use of such motor fuel or diesel fuel by
10 the Group Five vendor shall not be exempt from the tax levied by the
11 Oklahoma Sales Tax Code. The purchase of motor fuel or diesel fuel
12 is exempt from sales tax when the motor fuel is for shipment outside
13 this state and consumed by a common carrier by rail in the conduct
14 of its business. The sales tax shall apply to the purchase of motor
15 fuel or diesel fuel in Oklahoma by a common carrier by rail when
16 such motor fuel is purchased for fueling, within this state, of any
17 locomotive or other motorized flanged wheel equipment;

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

19 5. Sales of programs relating to sporting and entertainment
20 events, and sales of advertising on billboards (including signage,
21 posters, panels, marquees, or on other similar surfaces, whether
22 indoors or outdoors) or in programs relating to sporting and
23 entertainment events, and sales of any advertising, to be displayed
24 at or in connection with a sporting event, via the Internet,

1 electronic display devices, or through public address or broadcast
2 systems. The exemption authorized by this paragraph shall be
3 effective for all sales made on or after January 1, 2001;

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

11 7. Eggs, feed, supplies, machinery and equipment purchased by
12 persons regularly engaged in the business of raising worms, fish,
13 any insect or any other form of terrestrial or aquatic animal life
14 and used for the purpose of raising same for marketing. This
15 exemption shall only be granted and extended to the purchaser when
16 the items are to be used and in fact are used in the raising of
17 animal life as set out above. Each purchaser shall certify, in
18 writing, on the invoice or sales ticket retained by the vendor that
19 the purchaser is regularly engaged in the business of raising such
20 animal life and that the items purchased will be used only in such
21 business. The vendor shall certify to the Oklahoma Tax Commission
22 that the price of the items has been reduced to grant the full
23 benefit of the exemption. Violation hereof by the purchaser or
24 vendor shall be a misdemeanor;

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

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

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

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

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

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

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

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

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

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

1 (1) are primarily involved in the collection and
2 distribution of food and other household products
3 to other organizations that facilitate the
4 distribution of such products to the needy and
5 such distributee organizations are exempt from
6 taxation pursuant to the provisions of Section
7 501(c) (3) of the Internal Revenue Code, 26
8 U.S.C., Section 501(c) (3), or

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

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

15 15. Sales of tangible personal property or services to
16 children's homes which are located on church-owned property and are
17 operated by organizations exempt from taxation pursuant to the
18 provisions of the Internal Revenue Code, 26 U.S.C., Section
19 501(c) (3);

20 16. Sales of computers, data processing equipment, related
21 peripherals and telephone, telegraph or telecommunications service
22 and equipment for use in a qualified aircraft maintenance or
23 manufacturing facility. For purposes of this paragraph, "qualified
24 aircraft maintenance or manufacturing facility" means a new or

1 expanding facility primarily engaged in aircraft repair, building or
2 rebuilding whether or not on a factory basis, whose total cost of
3 construction exceeds the sum of Five Million Dollars (\$5,000,000.00)
4 and which employs at least two hundred fifty (250) new full-time-
5 equivalent employees, as certified by the Oklahoma Employment
6 Security Commission, upon completion of the facility. In order to
7 qualify for the exemption provided for by this paragraph, the cost
8 of the items purchased by the qualified aircraft maintenance or
9 manufacturing facility shall equal or exceed the sum of Two Million
10 Dollars (\$2,000,000.00);

11 17. Sales of tangible personal property consumed or
12 incorporated in the construction or expansion of a qualified
13 aircraft maintenance or manufacturing facility as defined in
14 paragraph 16 of this section. For purposes of this paragraph, sales
15 made to a contractor or subcontractor that has previously entered
16 into a contractual relationship with a qualified aircraft
17 maintenance or manufacturing facility for construction or expansion
18 of such a facility shall be considered sales made to a qualified
19 aircraft maintenance or manufacturing facility;

20 18. Sales of the following telecommunications services:

21 a. Interstate and International "800 service". "800
22 service" means a "telecommunications service" that
23 allows a caller to dial a toll-free number without
24 incurring a charge for the call. The service is

1 typically marketed under the name "800", "855", "866",
2 "877", and "888" toll-free calling, and any subsequent
3 numbers designated by the Federal Communications
4 Commission, or

5 b. Interstate and International "900 service". "900
6 service" means an inbound toll "telecommunications
7 service" purchased by a subscriber that allows the
8 subscriber's customers to call in to the subscriber's
9 prerecorded announcement or live service. "900
10 service" does not include the charge for: collection
11 services provided by the seller of the
12 "telecommunications services" to the subscriber, or
13 service or product sold by the subscriber to the
14 subscriber's customer. The service is typically
15 marketed under the name "900" service, and any
16 subsequent numbers designated by the Federal
17 Communications Commission,

18 c. Interstate and International "private communications
19 service". "Private communications service" means a
20 "telecommunications service" that entitles the
21 customer to exclusive or priority use of a
22 communications channel or group of channels between or
23 among termination points, regardless of the manner in
24 which such channel or channels are connected, and

1 includes switching capacity, extension lines,
2 stations, and any other associated services that are
3 provided in connection with the use of such channel or
4 channels,

5 d. "Value-added nonvoice data service". "Value-added
6 nonvoice data service" means a service that otherwise
7 meets the definition of "telecommunications services"
8 in which computer processing applications are used to
9 act on the form, content, code, or protocol of the
10 information or data primarily for a purpose other than
11 transmission, conveyance or routing,

12 e. Interstate and International telecommunications
13 service which is:

14 (1) rendered by a company for private use within its
15 organization, or

16 (2) used, allocated, or distributed by a company to
17 its affiliated group,

18 f. Regulatory assessments and charges, including charges
19 to fund the Oklahoma Universal Service Fund, the
20 Oklahoma Lifeline Fund and the Oklahoma High Cost
21 Fund, and

22 g. Telecommunications nonrecurring charges, including but
23 not limited to the installation, connection, change or
24

1 initiation of telecommunications services which are
2 not associated with a retail consumer sale;

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

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

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

22 a. as defined under Industrial Group Numbers 7372 and
23 7373 of the Standard Industrial Classification (SIC)
24 Manual, latest version, which derive at least fifty

1 percent (50%) of their annual gross revenues from the
2 sale of a product or service to an out-of-state buyer
3 or consumer, and

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

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

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

22 23. ~~Sales of tangible personal property or services to a motion~~
23 ~~picture or television production company to be used or consumed in~~
24 ~~connection with an eligible production. For purposes of this~~

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

13 ~~24.~~ Sales of diesel fuel sold for consumption by commercial
14 vessels, barges and other commercial watercraft;

15 ~~25.~~ 24. Sales of tangible personal property or services to tax-
16 exempt independent nonprofit biomedical research foundations that
17 provide educational programs for Oklahoma science students and
18 teachers and to tax-exempt independent nonprofit community blood
19 banks headquartered in this state;

20 ~~26.~~ 25. Effective May 6, 1992, sales of wireless
21 telecommunications equipment to a vendor who subsequently transfers
22 the equipment at no charge or for a discounted charge to a consumer
23 as part of a promotional package or as an inducement to commence or
24 continue a contract for wireless telecommunications services;

1 ~~27.~~ 26. Effective January 1, 1991, leases of rail
2 transportation cars to haul coal to coal-fired plants located in
3 this state which generate electric power;

4 ~~28.~~ 27. Beginning July 1, 2005, sales of aircraft engine
5 repairs, modification, and replacement parts, sales of aircraft
6 frame repairs and modification, aircraft interior modification, and
7 paint, and sales of services employed in the repair, modification
8 and replacement of parts of aircraft engines, aircraft frame and
9 interior repair and modification, and paint;

10 ~~29.~~ 28. Sales of materials and supplies to the owner or
11 operator of a ship, motor vessel or barge that is used in interstate
12 or international commerce if the materials and supplies:

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

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

18 ~~30.~~ 29. Sales of tangible personal property made at estate
19 sales at which such property is offered for sale on the premises of
20 the former residence of the decedent by a person who is not required
21 to be licensed pursuant to the Transient Merchant Licensing Act, or
22 who is not otherwise required to obtain a sales tax permit for the
23 sale of such property pursuant to the provisions of Section 1364 of
24 this title; provided:

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

8 ~~31.~~ 30. Beginning January 1, 2004, sales of electricity and
9 associated delivery and transmission services, when sold exclusively
10 for use by an oil and gas operator for reservoir dewatering projects
11 and associated operations commencing on or after July 1, 2003, in
12 which the initial water-to-oil ratio is greater than or equal to
13 five-to-one water-to-oil, and such oil and gas development projects
14 have been classified by the Corporation Commission as a reservoir
15 dewatering unit;

16 ~~32.~~ 31. Sales of prewritten computer software that is delivered
17 electronically. For purposes of this paragraph, "delivered
18 electronically" means delivered to the purchaser by means other than
19 tangible storage media;

20 ~~33. Sales of modular dwelling units when built at a production~~
21 ~~facility and moved in whole or in parts, to be assembled on-site,~~
22 ~~and permanently affixed to the real property and used for~~
23 ~~residential or commercial purposes. The exemption provided by this~~
24 ~~paragraph shall equal forty-five percent (45%) of the total sales~~

1 ~~price of the modular dwelling unit. For purposes of this paragraph,~~
2 ~~"modular dwelling unit" means a structure that is not subject to the~~
3 ~~motor vehicle excise tax imposed pursuant to Section 2103 of this~~
4 ~~title;~~

5 ~~34.~~ 32. Sales of tangible personal property or services to
6 persons who are residents of Oklahoma and have been honorably
7 discharged from active service in any branch of the Armed Forces of
8 the United States or Oklahoma National Guard and who have been
9 certified by the United States Department of Veterans Affairs or its
10 successor to be in receipt of disability compensation at the one-
11 hundred-percent rate and the disability shall be permanent and have
12 been sustained through military action or accident or resulting from
13 disease contracted while in such active service; provided, sales for
14 the benefit of the person to a spouse of the eligible person or to a
15 member of the household in which the eligible person resides and who
16 is authorized to make purchases on the person's behalf, when such
17 eligible person is not present at the sale, shall also be exempt for
18 purposes of this paragraph. Sales qualifying for the exemption
19 authorized by this paragraph shall not exceed Twenty-five Thousand
20 Dollars (\$25,000.00) per year per individual. Upon request of the
21 Tax Commission, a person asserting or claiming the exemption
22 authorized by this paragraph shall provide a statement, executed
23 under oath, that the total sales amounts for which the exemption is
24 applicable have not exceeded Twenty-five Thousand Dollars

1 (\$25,000.00) per year. If the amount of such exempt sales exceeds
2 such amount, the sales tax in excess of the authorized amount shall
3 be treated as a direct sales tax liability and may be recovered by
4 the Tax Commission in the same manner provided by law for other
5 taxes, including penalty and interest;

6 ~~35.~~ 33. Sales of electricity to the operator, specifically
7 designated by the Corporation Commission, of a spacing unit or lease
8 from which oil is produced or attempted to be produced using
9 enhanced recovery methods, including, but not limited to, increased
10 pressure in a producing formation through the use of water or
11 saltwater if the electrical usage is associated with and necessary
12 for the operation of equipment required to inject or circulate
13 fluids in a producing formation for the purpose of forcing oil or
14 petroleum into a wellbore for eventual recovery and production from
15 the wellhead. In order to be eligible for the sales tax exemption
16 authorized by this paragraph, the total content of oil recovered
17 after the use of enhanced recovery methods shall not exceed one
18 percent (1%) by volume. The exemption authorized by this paragraph
19 shall be applicable only to the state sales tax rate and shall not
20 be applicable to any county or municipal sales tax rate;

21 ~~36.~~ 34. Sales of intrastate charter and tour bus
22 transportation. As used in this paragraph, "intrastate charter and
23 tour bus transportation" means the transportation of persons from
24 one location in this state to another location in this state in a

1 motor vehicle which has been constructed in such a manner that it
2 may lawfully carry more than eighteen persons, and which is
3 ordinarily used or rented to carry persons for compensation.
4 Provided, this exemption shall not apply to regularly scheduled bus
5 transportation for the general public;

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

13 ~~38.~~ 35. Sales of goods, wares, merchandise, tangible personal
14 property, machinery and equipment to a web search portal located in
15 this state which derives at least eighty percent (80%) of its annual
16 gross revenue from the sale of a product or service to an out-of-
17 state buyer or consumer. For purposes of this paragraph, "web
18 search portal" means an establishment classified under NAICS code
19 519130 which operates web sites that use a search engine to generate
20 and maintain extensive databases of Internet addresses and content
21 in an easily searchable format;

22 ~~39.~~ 36. Sales of tangible personal property consumed or
23 incorporated in the construction or expansion of a facility for a
24 corporation organized under Section 437 et seq. of Title 18 of the

1 Oklahoma Statutes as a rural electric cooperative. For purposes of
2 this paragraph, sales made to a contractor or subcontractor that has
3 previously entered into a contractual relationship with a rural
4 electric cooperative for construction or expansion of a facility
5 shall be considered sales made to a rural electric cooperative;

6 ~~40.~~ 37. Sales of tangible personal property or services to a
7 business primarily engaged in the repair of consumer electronic
8 goods, including, but not limited to, cell phones, compact disc
9 players, personal computers, MP3 players, digital devices for the
10 storage and retrieval of information through hard-wired or wireless
11 computer or Internet connections, if the devices are sold to the
12 business by the original manufacturer of such devices and the
13 devices are repaired, refitted or refurbished for sale by the entity
14 qualifying for the exemption authorized by this paragraph directly
15 to retail consumers or if the devices are sold to another business
16 entity for sale to retail consumers;

17 ~~41.~~ 38. Before July 1, 2014, sales of rolling stock when sold
18 or leased by the manufacturer, regardless of whether the purchaser
19 is a public services corporation engaged in business as a common
20 carrier of property or passengers by railway, for use or consumption
21 by a common carrier directly in the rendition of public service.
22 For purposes of this paragraph, "rolling stock" means locomotives,
23 autocars and railroad cars; and

24

1 ~~42.~~ 39. Sales of gold, silver, platinum, palladium or other
2 bullion items such as coins and bars and legal tender of any nation,
3 which legal tender is sold according to its value as precious metal
4 or as an investment. To qualify for the exemption, the gold,
5 silver, platinum, palladium or other bullion items must be stored
6 within a recognized depository facility. As used in the paragraph,
7 "bullion" means any precious metal, including, but not limited to,
8 gold, silver, platinum and palladium, that is in such a state or
9 condition that its value depends upon its precious metal content and
10 not its form. As used in this paragraph, "depository facility"
11 means an institution that accepts delivery of precious metals on
12 behalf of the purchaser and provides storage of such precious
13 metals, but shall not include financial institutions as defined in
14 subsection E of Section 71 of Title 62 of the Oklahoma Statutes.
15 The exemption authorized by this paragraph shall not apply to
16 fabricated metals that have been processed or manufactured for
17 artistic use or as jewelry.

18 SECTION 4. AMENDATORY 68 O.S. 2011, Section 1404, is
19 amended to read as follows:

20 Section 1404. The provisions of Section 1401 et seq. of this
21 title shall not apply:

22 1. In respect to the use of any article of tangible personal
23 property brought into the State of Oklahoma by a nonresident
24

1 individual, visiting in this state, for his or her personal use or
2 enjoyment, while within the state;

3 2. In respect to the use of tangible personal property
4 purchased for resale before being used;

5 3. In respect to the use of any article of tangible personal
6 property on which a tax, equal to or in excess of that levied by
7 Section 1401 et seq. of this title, has been paid by the person
8 using such tangible personal property in this state, ~~whether~~ if such
9 tax was levied under the laws of this state ~~or some other state of~~
10 ~~the United States~~. If any article of tangible personal property has
11 already been subjected to a tax, by this ~~or any other~~ state, in
12 respect to its sale or use, in an amount less than the tax imposed
13 by Section 1401 et seq. of this title, the provisions of Section
14 1401 et seq. of this title shall apply to it by a rate measured by
15 the difference only between the rate herein provided and the rate by
16 which the previous tax upon the sale or use was computed. ~~Provided,~~
17 ~~that no credit shall be given for taxes paid in another state, if~~
18 ~~that state does not grant like credit for taxes paid in Oklahoma;~~

19 4. In respect to the use of tangible personal property now
20 specifically exempted from taxation under Oklahoma Sales Tax Code;

21 5. In respect to the use of any article or tangible personal
22 property brought into the state by an individual with intent to
23 become a resident of this state where such personal property is for
24 such individual's personal use or enjoyment;

1 6. In respect to the use of any article of tangible personal
2 property used or to be used by commercial airlines or railroads;

3 7. In respect to livestock purchased outside this state and
4 brought into this state for feeding or breeding purposes, and which
5 is later resold; and

6 8. Effective January 1, 1991, in respect to the use of rail
7 transportation cars to haul coal to coal-fired plants located in
8 this state which generate electric power.

9 SECTION 5. REPEALER 68 O.S. 2011, Sections 1366 and
10 54003, are hereby repealed.

11 SECTION 6. This act shall become effective January 1, 2013.

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