

OKLAHOMA STATE SENATE  
GENERAL CONFERENCE COMMITTEE ON APPROPRIATIONS

Mr. President:

Date: 5-20-2014

Mr. Speaker:

The Conference Committee, to which was referred

**SB 331**

By: Mazzei of the Senate and Sears of the House

Title: Revenue and taxation; exemptions from sales tax; replacing amendatory provisions relating to certain aircraft maintenance facility structures. Emergency.

together with Engrossed House Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the House recede from all Amendments.
2. That the attached Conference Committee Substitute be adopted.

SENATE CONFEREES:

Bass _____	R. Johnson _____
Branan _____	Jolley _____
Brinkley <u>[Signature]</u>	Justice <u>[Signature]</u>
Coates _____	Marlatt _____
Crain _____	Mazzei <u>[Signature]</u>
David <u>[Signature]</u>	Newberry <u>[Signature]</u>
Ellis <u>[Signature]</u>	Paddack _____
Fields <u>[Signature]</u>	Standridge <u>[Signature]</u>
Ford <u>[Signature]</u>	Stanislowski <u>[Signature]</u>
Griffin <u>[Signature]</u>	Sykes _____
Halligan <u>[Signature]</u>	Treat <u>[Signature]</u>
Holt <u>[Signature]</u>	Wyrick _____
Ivester _____	_____
C. Johnson _____	_____

HOUSE CONFEREES:

General Conference Committee on Appropriations

**ADOPTED & PASSED**  
Senate Action \_\_\_\_\_ Date MAY 21 2014 House Action \_\_\_\_\_ Date \_\_\_\_\_

SB331 CCR (A)  
**HOUSE CONFEREES**

Armes, Don

Billy, Lisa J.

Brown, Mike

Christian, Mike



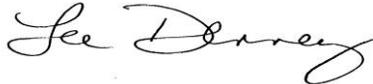
Coody, Ann



Cox, Doug



Denney, Lee



Dorman, Joe

Hoskin, Chuck



Kern, Sally



Martin, Scott



McCullough, Mark



McDaniel,  
Jeannie



McNiel, Skye

McPeak, Jerry

Morrisette,  
Richard

Nelson, Jason

Newell, Tom

Osborn, Leslie



Ownbey, Pat



Proctor, Eric

Ritze, Mike

Roberts, Sean



Sanders, Mike

Schwartz, Colby

Sears, Earl



Sherrer, Ben



Watson, Weldon



Wesselhoft, Paul

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1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 CONFERENCE COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED

5 SENATE BILL NO. 331

6 By: Mazzei of the Senate

7 and

8 Sears of the House

9 CONFERENCE COMMITTEE SUBSTITUTE

10 An Act relating to sales tax; amending 68 O.S. 2011,  
11 Sections 1356, as last amended by Section 3, Chapter  
12 334, O.S.L. 2013 and 1357, as last amended by Section  
13 1, Chapter 364, O.S.L. 2013 (68 O.S. Supp. 2013,  
14 Sections 1356 and 1357), which relate to sales tax  
15 exemptions; deleting sunset date for exemption for  
16 sales by or to certain nonprofit local public or  
17 private school foundations; replacing amendatory  
18 provisions enacted by Enrolled Senate Bill No. 1465  
19 of the 2nd Session of the 53rd Oklahoma Legislature  
20 related to certain aircraft maintenance facility  
21 structures; and declaring an emergency.

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

23 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1356, as  
24 last amended by Section 3, Chapter 334, O.S.L. 2013 (68 O.S. Supp.  
2013, Section 1356), is amended to read as follows:

Section 1356. Exemptions - Governmental and nonprofit entities.

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

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

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

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

19           4. Sales made directly by county, district or state fair  
20 authorities of this state, upon the premises of the fair authority,  
21 for the sole benefit of the fair authority or sales of admission  
22 tickets to such fairs or fair events at any location in the state  
23 authorized by county, district or state fair authorities; provided,  
24 the exemption provided by this paragraph for admission tickets to

1 fair events shall apply only to any portion of the admission price  
2 that is retained by or distributed to the fair authority. As used  
3 in this paragraph, "fair event" shall be limited to an event held on  
4 the premises of the fair authority in conjunction with and during  
5 the time period of a county, district or state fair;

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

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

21 7. Sale of tangible personal property or services to or by  
22 churches, except sales made in the course of business for profit or  
23 savings, competing with other persons engaged in the same or a  
24 similar business or sale of tangible personal property or services

1 by an organization exempt from federal income tax pursuant to  
2 Section 501(c)(3) of the Internal Revenue Code of 1986, as amended,  
3 made on behalf of or at the request of a church or churches if the  
4 sale of such property is conducted not more than once each calendar  
5 year for a period not to exceed three (3) days by the organization  
6 and proceeds from the sale of such property are used by the church  
7 or churches or by the organization for charitable purposes;

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

24

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

4           10. Sale of tangible personal property or services to any  
5 county, municipality, rural water district, public school district,  
6 the institutions of The Oklahoma State System of Higher Education,  
7 the Grand River Dam Authority, the Northeast Oklahoma Public  
8 Facilities Authority, the Oklahoma Municipal Power Authority, City  
9 of Tulsa-Rogers County Port Authority, Muskogee City-County Port  
10 Authority, the Oklahoma Department of Veterans Affairs, the Broken  
11 Bow Economic Development Authority, Ardmore Development Authority,  
12 Durant Industrial Authority, Oklahoma Ordnance Works Authority,  
13 Central Oklahoma Master Conservancy District, Arbuckle Master  
14 Conservancy District, Fort Cobb Master Conservancy District, Foss  
15 Reservoir Master Conservancy District, Mountain Park Master  
16 Conservancy District, Waurika Lake Master Conservancy District,  
17 Office of Management and Enterprise Services only when carrying out  
18 a public construction contract on behalf of the Oklahoma Department  
19 of Veterans Affairs or to any person with whom any of the above-  
20 named subdivisions or agencies of this state has duly entered into a  
21 public contract pursuant to law, necessary for carrying out such  
22 public contract or to any subcontractor to such a public contract.  
23 Any person making purchases on behalf of such subdivision or agency  
24 of this state shall certify, in writing, on the copy of the invoice

1 or sales ticket to be retained by the vendor that the purchases are  
2 made for and on behalf of such subdivision or agency of this state  
3 and set out the name of such public subdivision or agency. Any  
4 person who wrongfully or erroneously certifies that purchases are  
5 for any of the above-named subdivisions or agencies of this state or  
6 who otherwise violates this section shall be guilty of a misdemeanor  
7 and upon conviction thereof shall be fined an amount equal to double  
8 the amount of sales tax involved or incarcerated for not more than  
9 sixty (60) days or both;

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

21 Any person, firm, agency or entity making purchases on behalf of  
22 any institution, agency or subdivision in this state, shall certify  
23 in writing, on the copy of the invoice or sales ticket the nature of  
24

1 the purchases, and violation of this paragraph shall be a  
2 misdemeanor as set forth in paragraph 10 of this section;

3 12. Tuition and educational fees paid to private institutions  
4 of higher education and private elementary and secondary  
5 institutions of education accredited by the State Department of  
6 Education or registered by the State Board of Education for purposes  
7 of participating in federal programs or accredited as defined by the  
8 Oklahoma State Regents for Higher Education which are exempt from  
9 taxation pursuant to the provisions of the Internal Revenue Code, 26  
10 U.S.C., Section 501(c)(3);

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

12 (1) a public school,

13 (2) a private school offering instruction for grade  
14 levels kindergarten through twelfth grade,

15 (3) a public school district,

16 (4) a public or private school board,

17 (5) a public or private school student group or  
18 organization,

19 (6) a parent-teacher association or organization  
20 other than as specified in subparagraph b of this  
21 paragraph, or

22 (7) public or private school personnel for purposes  
23 of raising funds for the benefit of a public or  
24 private school, public school district, public or

1 private school board or public or private school  
2 student group or organization, or

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

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

18 14. Sales of tangible personal property by:

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

1       The exemption provided by this paragraph shall be limited to  
2 sales for the purpose of raising funds for the benefit of such  
3 organizations. Sale of tangible personal property exempted by this  
4 paragraph shall include sale of admission tickets;

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

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

14       17. Sales of tangible personal property or services to fire  
15 departments organized pursuant to Section 592 of Title 18 of the  
16 Oklahoma Statutes which items are to be used for the purposes of the  
17 fire department. Any person making purchases on behalf of any such  
18 fire department shall certify, in writing, on the copy of the  
19 invoice or sales ticket to be retained by the vendor that the  
20 purchases are made for and on behalf of such fire department and set  
21 out the name of such fire department. Any person who wrongfully or  
22 erroneously certifies that the purchases are for any such fire  
23 department or who otherwise violates the provisions of this section  
24 shall be deemed guilty of a misdemeanor and upon conviction thereof,

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

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

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

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

22 21. Sales of tangible personal property or services to any  
23 organization, which takes court-adjudicated juveniles for purposes  
24 of rehabilitation, and which is exempt from taxation pursuant to the

1 provisions of the Internal Revenue Code, 26 U.S.C., Section  
2 501(c)(3), provided that at least fifty percent (50%) of the  
3 juveniles served by such organization are court adjudicated and the  
4 organization receives state funds in an amount less than ten percent  
5 (10%) of the annual budget of the organization;

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

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

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

13 c. any community-based health center which meets all of  
14 the following criteria:

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

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

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

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

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

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

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

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

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

8       36. The sale, lease, use, storage, consumption, or distribution  
9 in this state of tangible personal property meeting the definition  
10 of "section 38 property" as defined in Sections 48(a)(1)(A) and  
11 (B)(i) of the Internal Revenue Code of 1986, that is an integral  
12 part of and used primarily in support of space flight; however,  
13 section 38 property used in support of space flight shall not  
14 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;

24

1           37. The purchase or lease of machinery and equipment for use at  
2 a fixed location in this state, which is used exclusively in the  
3 manufacturing, processing, compounding, or producing of any space  
4 facility, space propulsion system or space vehicle, satellite, or  
5 station of any kind possessing space flight capacity. Provided, the  
6 exemption provided for in this paragraph shall not be allowed unless  
7 the purchaser or lessee signs an affidavit stating that the item or  
8 items to be exempted are for the exclusive use designated herein.  
9 Any person furnishing a false affidavit to the vendor for the  
10 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. 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. Sales of tangible personal property or services which are  
2 directly used in or for the benefit of a state park in this state,  
3 which are made to an organization which is exempt from taxation  
4 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,  
5 Section 501(c) (3) and which is organized primarily for the purpose  
6 of supporting one or more state parks located in this state;

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

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

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

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

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

3 50. Effective July 1, 2005, sales of tangible personal property  
4 or services to the Career Technology Student Organizations under the  
5 direction and supervision of the Oklahoma Department of Career and  
6 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. Effective July 1, 2006, sales of tangible personal property  
7 or services to any organization which assists, trains, educates, and  
8 provides housing for physically and mentally handicapped persons and  
9 which is exempt from taxation pursuant to the provisions of the  
10 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and that  
11 receives at least eighty-five percent (85%) of its annual budget  
12 from state or federal funds. In order to receive the benefit of the  
13 exemption authorized by this paragraph, the taxpayer shall be  
14 required to make payment of the applicable sales tax at the time of  
15 sale to the vendor in the manner otherwise required by law.  
16 Notwithstanding any other provision of the Oklahoma Uniform Tax  
17 Procedure Code to the contrary, the taxpayer shall be authorized to  
18 file a claim for refund of sales taxes paid that qualify for the  
19 exemption authorized by this paragraph for a period of one (1) year  
20 after the date of the sale transaction. The taxpayer shall be  
21 required to provide documentation as may be prescribed by the  
22 Oklahoma Tax Commission in support of the refund claim. The total  
23 amount of sales tax qualifying for exempt treatment pursuant to this  
24 paragraph shall not exceed One Hundred Seventy-five Thousand Dollars

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

6 53. 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;

19 54. 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. Sales of tangible personal property or services to or by an  
6 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. 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) for events the principal purpose of which is to provide  
14 funding for the preservation and conservation of wild turkeys;

15 57. 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. Sales of tickets for admission to an annual event sponsored  
17 by an educational and charitable organization of women which is  
18 exempt from taxation pursuant to the provisions of the Internal  
19 Revenue Code, 26 U.S.C., Section 501(c)(3) and has as its mission  
20 promoting volunteerism, developing the potential of women and  
21 improving the community through the effective action and leadership  
22 of trained volunteers;

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

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

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

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

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

16 66. 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. 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. 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);

23  
24

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

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

1 entitled to make application for a refund based upon  
2 the exempt treatment authorized by this paragraph may  
3 file an application for refund of the state sales  
4 taxes paid during such preceding calendar quarter.  
5 The Tax Commission shall prescribe a form for purposes  
6 of making the application for refund.

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

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

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

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

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

21 74. Sales of tangible personal property or services:

22 a. to a foundation which is exempt from taxation pursuant  
23 to the provisions of the Internal Revenue Code, 26  
24 U.S.C., Section 501(c) (3) and which raises tax-

1 deductible contributions in support of a wide range of  
2 firearms-related public interest activities of the  
3 National Rifle Association of America and other  
4 organizations that defend and foster Second Amendment  
5 rights, and

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

10 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1357, as  
11 last amended by Section 1, Chapter 364, O.S.L. 2013 (68 O.S. Supp.  
12 2013, Section 1357), is 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, including one or more  
10 component overhaul support buildings or structures in an area owned,  
11 leased or controlled by the air common carrier, at which there were  
12 employed at least two thousand (2,000) full-time-equivalent  
13 employees in the preceding year as certified by the Oklahoma  
14 Employment Security Commission and which is primarily related to the  
15 fabrication, repair, alteration, modification, refurbishing,  
16 maintenance, building or rebuilding of commercial aircraft or  
17 aircraft parts used in air common carriage. For purposes of this  
18 paragraph, "air common carrier" shall also include members of an  
19 affiliated group as defined by Section 1504 of the Internal Revenue  
20 Code, 26 U.S.C., Section 1504. Beginning July 1, 2012, sales of  
21 machinery, tools, supplies, equipment and related tangible personal  
22 property and services used or consumed in the repair, remodeling or  
23 maintenance of aircraft, aircraft engines, or aircraft component  
24 parts which occur at a qualified aircraft maintenance facility;

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

4            a. as defined under Industrial Group Numbers 7372 and  
5                7373 of the Standard Industrial Classification (SIC)  
6                Manual, latest version, which derive at least fifty  
7                percent (50%) of their annual gross revenues from the  
8                sale of a product or service to an out-of-state buyer  
9                or consumer, and

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

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

23        22. Sales of prosthetic devices to an individual for use by  
24 such individual. For purposes of this paragraph, "prosthetic

1 device" shall have the same meaning as provided in Section 1357.6 of  
2 this title, but shall not include corrective eye glasses, contact  
3 lenses or hearing aids;

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

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

21 25. Sales of tangible personal property or services to tax-  
22 exempt independent nonprofit biomedical research foundations that  
23 provide educational programs for Oklahoma science students and  
24

1 teachers and to tax-exempt independent nonprofit community blood  
2 banks headquartered in this state;

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

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

11 28. Beginning July 1, 2005, sales of aircraft engine repairs,  
12 modification, and replacement parts, sales of aircraft frame repairs  
13 and modification, aircraft interior modification, and paint, and  
14 sales of services employed in the repair, modification and  
15 replacement of parts of aircraft engines, aircraft frame and  
16 interior repair and modification, and paint;

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

- 20 a. are loaded on the ship, motor vessel or barge and used  
21 in the maintenance and operation of the ship, motor  
22 vessel or barge, or  
23 b. enter into and become component parts of the ship,  
24 motor vessel or barge;

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

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

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

23       32. Sales of prewritten computer software that is delivered  
24 electronically. For purposes of this paragraph, "delivered

1 electronically" means delivered to the purchaser by means other than  
2 tangible storage media;

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

12 34. Sales of tangible personal property or services to persons  
13 who are residents of Oklahoma and have been honorably discharged  
14 from active service in any branch of the Armed Forces of the United  
15 States or Oklahoma National Guard and who have been certified by the  
16 United States Department of Veterans Affairs or its successor to be  
17 in receipt of disability compensation at the one-hundred-percent  
18 rate and the disability shall be permanent and have been sustained  
19 through military action or accident or resulting from disease  
20 contracted while in such active service or the surviving spouse of  
21 such person if the person is deceased and the spouse has not  
22 remarried; provided, sales for the benefit of the person to a spouse  
23 of the eligible person or to a member of the household in which the  
24 eligible person resides and who is authorized to make purchases on

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

19 35. Sales of electricity to the operator, specifically  
20 designated by the Corporation Commission, of a spacing unit or lease  
21 from which oil is produced or attempted to be produced using  
22 enhanced recovery methods, including, but not limited to, increased  
23 pressure in a producing formation through the use of water or  
24 saltwater if the electrical usage is associated with and necessary

1 for the operation of equipment required to inject or circulate  
2 fluids in a producing formation for the purpose of forcing oil or  
3 petroleum into a wellbore for eventual recovery and production from  
4 the wellhead. In order to be eligible for the sales tax exemption  
5 authorized by this paragraph, the total content of oil recovered  
6 after the use of enhanced recovery methods shall not exceed one  
7 percent (1%) by volume. The exemption authorized by this paragraph  
8 shall be applicable only to the state sales tax rate and shall not  
9 be applicable to any county or municipal sales tax rate;

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

19 37. Sales of vitamins, minerals and dietary supplements by a  
20 licensed chiropractor to a person who is the patient of such  
21 chiropractor at the physical location where the chiropractor  
22 provides chiropractic care or services to such patient. The  
23 provisions of this paragraph shall not be applicable to any drug,  
24

1 medicine or substance for which a prescription by a licensed  
2 physician is required;

3 38. Sales of goods, wares, merchandise, tangible personal  
4 property, machinery and equipment to a web search portal located in  
5 this state which derives at least eighty percent (80%) of its annual  
6 gross revenue from the sale of a product or service to an out-of-  
7 state buyer or consumer. For purposes of this paragraph, "web  
8 search portal" means an establishment classified under NAICS code  
9 519130 which operates websites that use a search engine to generate  
10 and maintain extensive databases of Internet addresses and content  
11 in an easily searchable format;

12 39. Sales of tangible personal property consumed or  
13 incorporated in the construction or expansion of a facility for a  
14 corporation organized under Section 437 et seq. of Title 18 of the  
15 Oklahoma Statutes as a rural electric cooperative. For purposes of  
16 this paragraph, sales made to a contractor or subcontractor that has  
17 previously entered into a contractual relationship with a rural  
18 electric cooperative for construction or expansion of a facility  
19 shall be considered sales made to a rural electric cooperative;

20 40. Sales of tangible personal property or services to a  
21 business primarily engaged in the repair of consumer electronic  
22 goods, including, but not limited to, cell phones, compact disc  
23 players, personal computers, MP3 players, digital devices for the  
24 storage and retrieval of information through hard-wired or wireless

1 computer or Internet connections, if the devices are sold to the  
2 business by the original manufacturer of such devices and the  
3 devices are repaired, refitted or refurbished for sale by the entity  
4 qualifying for the exemption authorized by this paragraph directly  
5 to retail consumers or if the devices are sold to another business  
6 entity for sale to retail consumers;

7 41. Before July 1, 2019, sales of rolling stock when sold or  
8 leased by the manufacturer, regardless of whether the purchaser is a  
9 public services corporation engaged in business as a common carrier  
10 of property or passengers by railway, for use or consumption by a  
11 common carrier directly in the rendition of public service. For  
12 purposes of this paragraph, "rolling stock" means locomotives,  
13 autocars and railroad cars; and

14 42. Sales of gold, silver, platinum, palladium or other bullion  
15 items such as coins and bars and legal tender of any nation, which  
16 legal tender is sold according to its value as precious metal or as  
17 an investment. To qualify for the exemption, the gold, silver,  
18 platinum, palladium or other bullion items must be stored within a  
19 recognized depository facility. As used in the paragraph, "bullion"  
20 means any precious metal, including, but not limited to, gold,  
21 silver, platinum and palladium, that is in such a state or condition  
22 that its value depends upon its precious metal content and not its  
23 form. As used in this paragraph, "depository facility" means an  
24 institution that accepts delivery of precious metals on behalf of

1 the purchaser and provides storage of such precious metals, but  
2 shall not include financial institutions as defined in subsection E  
3 of Section 71 of Title 62 of the Oklahoma Statutes. The exemption  
4 authorized by this paragraph shall not apply to fabricated metals  
5 that have been processed or manufactured for artistic use or as  
6 jewelry.

7 SECTION 3. It being immediately necessary for the preservation  
8 of the public peace, health and safety, an emergency is hereby  
9 declared to exist, by reason whereof this act shall take effect and  
10 be in full force from and after its passage and approval.

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