

1 ENGROSSED HOUSE  
2 BILL NO. 2550

By: Roberts (Dustin) of the  
House

3 and

4 Brecheen of the Senate  
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8 An Act relating to revenue and taxation; amending 68  
9 O.S. 2011, Section 1634, which relates to retail sale  
10 of fireworks; authorizing sales tax exemption for  
11 certain eligible student fundraising activities;  
12 prescribing procedures for application and issuance  
13 of exempt transaction card or document; providing for  
14 limited duration of exempt transaction card or  
15 document; relieving vendors of requirement to collect  
16 sales tax based upon exempt transaction; providing  
17 vendor not liable for sales tax based upon good-faith  
18 reliance; and declaring an emergency.

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

20 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1634, is  
21 amended to read as follows:

22 Section 1634. A. ~~Every~~ Except as otherwise provided by  
23 subsection D of this section, every retail sale of fireworks by a  
24 wholesaler, distributor, manufacturer or a retailer shall be subject  
to the levy and collection of sales tax pursuant to the provisions  
of the Oklahoma State Tax Code.

1 B. Every retail fireworks location shall possess a valid  
2 current sales tax permit issued by the Oklahoma Tax Commission. The  
3 sales tax permit shall be conspicuously posted in the immediate  
4 vicinity of the sales operation and shall be immediately available  
5 for examination by the public or any enforcement officer.

6 C. Vendors that fail to collect sales tax as required by  
7 subsection A of this section shall be subject to the penalties  
8 provided in Section 1361 of this title.

9 D. A vendor shall not collect sales tax on the retail sale of  
10 fireworks if the sale is made to a person who presents a valid  
11 exempt transaction card issued by the Oklahoma Tax Commission for  
12 purposes of a valid student group fundraising event. A student  
13 group shall make application for the exempt transaction card not  
14 later than thirty (30) days prior to the anticipated first date upon  
15 which fireworks are anticipated to be purchased. The application  
16 shall be in such form as the Tax Commission may prescribe but shall  
17 include a verification from an official with the school the student  
18 organization is affiliated with, from a certified instructor at the  
19 school, from one or more persons authorized by the school district  
20 for such purposes or such other persons having authority as may be  
21 required by the Tax Commission. Upon completion of the application  
22 and approval of the application by the Tax Commission, one exempt  
23 transaction card or document shall be issued which shall be valid  
24 for a period not to exceed one hundred twenty (120) days from the

1 date of issuance. Upon presentation of the exempt transaction card  
2 to a fireworks vendor, the vendor shall not be required to collect  
3 sales tax on the fireworks purchased for the fundraising activity.  
4 A vendor who relies in good faith on the exempt transaction card  
5 shall not be liable for sales tax if the transaction is subsequently  
6 determined not to be eligible for the exemption authorized by this  
7 subsection.

8 SECTION 2. It being immediately necessary for the preservation  
9 of the public peace, health and safety, an emergency is hereby  
10 declared to exist, by reason whereof this act shall take effect and  
11 be in full force from and after its passage and approval.

12 Passed the House of Representatives the 11th day of March, 2014.

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Presiding Officer of the House  
of Representatives

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Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2014.

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Presiding Officer of the Senate

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