

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

SUBCOMMITTEE RECOMMENDATION
FOR

HOUSE BILL NO. 3160

By: Martinez

SUBCOMMITTEE RECOMMENDATION

An Act relating to revenue and taxation; amending 68 O.S. 2011, Section 1356, as last amended by Section 1, Chapter 413, O.S.L. 2019 (68 O.S. Supp. 2019, Section 1356), which relates to sales tax exemptions; creating exemption for University Hospitals Trust; creating exemption for nonprofit which enters into joint operating agreement with University Hospitals Trust; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 1356, as last amended by Section 1, Chapter 413, O.S.L. 2019 (68 O.S. Supp. 2019, Section 1356), is amended to read as follows:

Section 1356. Exemptions - Governmental and nonprofit entities.

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

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

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. The amount of proceeds received from the sale of admission
6 tickets which is separately stated on the ticket of admission for
7 the repayment of money borrowed by any accredited state-supported
8 college or university or any public trust of which a county in this
9 state is the beneficiary, for the purpose of constructing or
10 enlarging any facility to be used for the staging of an athletic
11 event, a theatrical production, or any other form of entertainment,
12 edification or cultural cultivation to which entry is gained with a
13 paid admission ticket. Such facilities include, but are not limited
14 to, athletic fields, athletic stadiums, field houses, amphitheaters
15 and theaters. To be eligible for this sales tax exemption, the
16 amount separately stated on the admission ticket shall be a
17 surcharge which is imposed, collected and used for the sole purpose
18 of servicing or aiding in the servicing of debt incurred by the
19 college or university to effect the capital improvements
20 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;
24

1 10. Sale of tangible personal property or services to any
2 county, municipality, rural water district, public school district,
3 the institutions of The Oklahoma State System of Higher Education,
4 the Grand River Dam Authority, the Northeast Oklahoma Public
5 Facilities Authority, the Oklahoma Municipal Power Authority, City
6 of Tulsa-Rogers County Port Authority, Muskogee City-County Port
7 Authority, the Oklahoma Department of Veterans Affairs, the Broken
8 Bow Economic Development Authority, Ardmore Development Authority,
9 Durant Industrial Authority, Oklahoma Ordnance Works Authority,
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 University Hospitals Trust, Office of Management and Enterprise
15 Services only when carrying out a public construction contract on
16 behalf of the Oklahoma Department of Veterans Affairs or to any
17 person with whom any of the above-named subdivisions or agencies of
18 this state has duly entered into a public contract pursuant to law,
19 necessary for carrying out such public contract or to any
20 subcontractor to such a public contract. Any person making
21 purchases on behalf of such subdivision or agency of this state
22 shall certify, in writing, on the copy of the invoice or sales
23 ticket to be retained by the vendor that the purchases are made for
24 and on behalf of such subdivision or agency of this state and set

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

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

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

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

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

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

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 nonprofit local public or private school foundations
6 which solicit money or property in the name of any
7 public or private school or public school district.

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

15 14. Sales of tangible personal property by:

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

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

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

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

7 16. Sales of tangible personal property or services to any
8 person with whom the Oklahoma Tourism and Recreation Department has
9 entered into a public contract and which is necessary for carrying
10 out such contract to assist the Department in the development and
11 production of advertising, promotion, publicity and public relations
12 programs;

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

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;

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 or services made
23 ~~pursuant to Section 3226 of Title 63 of the Oklahoma Statutes by or~~
24 to the University Hospitals Trust created pursuant to Section 3224

1 of Title 63 of the Oklahoma Statutes or nonprofit entities which are
2 exempt from taxation pursuant to the provisions of the Internal
3 Revenue Code of the United States, 26 U.S.C., Section 501(c)(3),
4 which have entered into a joint operating agreement with the
5 University Hospitals Trust;

6 31. Sales of tangible personal property or services to a
7 municipality, county or school district pursuant to a lease or
8 lease-purchase agreement executed between the vendor and a
9 municipality, county or school district. A copy of the lease or
10 lease-purchase agreement shall be retained by the vendor;

11 32. Sales of tangible personal property or services to any
12 spaceport user, as defined in the Oklahoma Space Industry
13 Development Act;

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

21 a. the destruction in whole or in part of the satellite
22 or launch vehicle,

23 b. the failure of a launch to occur or be successful, or
24

1 c. the absence of any transfer or title to, or possession
2 of, the satellite or launch vehicle after launch;

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

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

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

1 flight", for purposes of this paragraph, means the altering,
2 monitoring, controlling, regulating, adjusting, servicing, or
3 repairing of any space facility, space propulsion systems or space
4 vehicle, satellite, or station possessing space flight capacity,
5 including the components thereof;

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

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

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

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

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

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

9 43. Sales of tangible personal property or services to or by an
10 organization which:

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

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

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

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

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

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

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

6 50. Effective July 1, 2005, sales of tangible personal property
7 or services to the Career Technology Student Organizations under the
8 direction and supervision of the Oklahoma Department of Career and
9 Technology Education;

10 51. Sales of tangible personal property to a public trust
11 having either a single city, town or county or multiple cities,
12 towns or counties or combination thereof as beneficiary or
13 beneficiaries or a nonprofit organization which is exempt from
14 taxation pursuant to the provisions of the Internal Revenue Code, 26
15 U.S.C., Section 501(c)(3) for the purpose of constructing
16 improvements to or expanding a hospital or nursing home owned and
17 operated by any such public trust or nonprofit entity prior to July
18 1, 2008, in counties with a population of less than one hundred
19 thousand (100,000) persons, according to the most recent Federal
20 Decennial Census. As used in this paragraph, "constructing
21 improvements to or expanding" shall not mean any expense for routine
22 maintenance or general repairs and shall require a project cost of
23 at least One Hundred Thousand Dollars (\$100,000.00). For purposes
24 of this paragraph, sales made to a contractor or subcontractor that

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

1 The resulting percentage determined for each purchaser shall be
2 multiplied by Six Hundred Fifty Thousand Dollars (\$650,000.00) to
3 determine the amount of refundable sales tax to be paid to each
4 purchaser. The pro rata refund amount shall be the only method to
5 recover sales taxes paid during the preceding fiscal year and no
6 balance of any sales taxes paid on a pro rata basis shall be the
7 subject of any subsequent refund claim pursuant to this paragraph;

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

18 Notwithstanding any other provision of the Oklahoma Uniform Tax
19 Procedure Code to the contrary, the taxpayer shall be authorized to
20 file a claim for refund of sales taxes paid that qualify for the
21 exemption authorized by this paragraph for a period of one (1) year
22 after the date of the sale transaction. The taxpayer shall be
23 required to provide documentation as may be prescribed by the
24 Oklahoma Tax Commission in support of the refund claim. The total

1 amount of sales tax qualifying for exempt treatment pursuant to this
2 paragraph shall not exceed One Hundred Seventy-five Thousand Dollars
3 (\$175,000.00) each fiscal year. Claims for refund shall be
4 processed in the order in which such claims are received by the
5 Oklahoma Tax Commission. If a claim otherwise timely filed exceeds
6 the total amount of refunds payable for a fiscal year, such claim
7 shall be barred;

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

21 54. Sales of tangible personal property to a nonprofit
22 organization, exempt from taxation pursuant to the provisions of the
23 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), organized
24 primarily for the purpose of providing services to homeless persons

1 during the day and located in a metropolitan area with a population
2 in excess of five hundred thousand (500,000) persons according to
3 the latest Federal Decennial Census. The exemption authorized by
4 this paragraph shall be applicable to sales of tangible personal
5 property to a qualified entity occurring on or after January 1,
6 2005;

7 55. Sales of tangible personal property or services to or by an
8 organization which is exempt from taxation pursuant to the
9 provisions of the Internal Revenue Code, 26 U.S.C., Section
10 501(c)(3) for events the principal purpose of which is to provide
11 funding for the preservation of wetlands and habitat for wild ducks;

12 56. Sales of tangible personal property or services to or by an
13 organization which is exempt from taxation pursuant to the
14 provisions of the Internal Revenue Code, 26 U.S.C., Section
15 501(c)(3) for events the principal purpose of which is to provide
16 funding for the preservation and conservation of wild turkeys;

17 57. Sales of tangible personal property or services to an
18 organization which:

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

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

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

58. Sales of tickets made on or after September 21, 2005, and complimentary or free tickets for admission issued on or after September 21, 2005, which have a value equivalent to the charge that would have otherwise been made, for admission to a professional athletic event in which a team in the National Basketball Association is a participant, which is held in a facility owned or operated by a municipality, a county or a public trust of which a municipality or a county is the sole beneficiary, and sales of tickets made on or after July 1, 2007, and complimentary or free tickets for admission issued on or after July 1, 2007, which have a

1 value equivalent to the charge that would have otherwise been made,
2 for admission to a professional athletic event in which a team in
3 the National Hockey League is a participant, which is held in a
4 facility owned or operated by a municipality, a county or a public
5 trust of which a municipality or a county is the sole beneficiary;

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

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

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

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

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

5 64. Sales of tangible personal property or services to or by a
6 veteran's organization which is exempt from taxation pursuant to the
7 provisions of the Internal Revenue Code, 26 U.S.C., Section
8 501(c)(19) and which is known as the Veterans of Foreign Wars of the
9 United States, Oklahoma Chapters;

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

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

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

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

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

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
19 sales 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;

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-

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

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

75. Sales by an organization or entity which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) which are related to a fundraising event sponsored by the organization or entity when the event does not exceed any five (5) consecutive days and when the sales are not in the organization's or the entity's regular course of business. Provided, the exemption provided in this paragraph shall be limited to tickets sold for admittance to the fundraising event and items which were donated to the organization or entity for sale at the event;

76. Effective November 1, 2017, sales of tangible personal property or services to an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and operates as a collaborative model which connects community agencies in one location to serve

1 individuals and families affected by violence and where victims have
2 access to services and advocacy at no cost to the victim;

3 77. Effective July 1, 2018, sales of tangible personal property
4 or services to or by an association which is exempt from taxation
5 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,
6 Section 501(c)(19) and which is known as the National Guard
7 Association of Oklahoma;

8 78. Effective July 1, 2018, sales of tangible personal property
9 or services to or by an association which is exempt from taxation
10 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,
11 Section 501(c)(4) and which is known as the Marine Corps League of
12 Oklahoma;

13 79. Sales of tangible personal property or services to the
14 American Legion, whether the purchase is made by the entity
15 chartered by the United States Congress or is an entity organized
16 under the laws of this or another state pursuant to the authority of
17 the national American Legion organization; and

18 80. Sales of tangible personal property or services to or by an
19 organization which is:

- 20 a. exempt from taxation pursuant to the provisions of the
21 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
- 22 b. verified with a letter from the MIT Fab Foundation as
23 an official member of the Fab Lab Network in
24 compliance with the Fab Charter, and

1 c. able to provide documentation that its primary and
2 principal purpose is to provide community access to
3 advanced 21st century manufacturing and digital
4 fabrication tools for science, technology,
5 engineering, art and math (STEAM) learning skills,
6 developing inventions, creating and sustaining
7 businesses and producing personalized products.

8 SECTION 2. This act shall become effective July 1, 2021.

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10 57-2-11082 JW 02/13/20
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