

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               1st Session of the 58th Legislature (2021)

4   HOUSE BILL 1060

By: Boles, **Davis** and **Hill** of  
the House

5   and

6   **Paxton** of the Senate

7  
8  
9   AS INTRODUCED

10                               **[ revenue and taxation - sales tax - exemptions for**  
11                               **corporations and partnerships - effective date ]**  
12  
13  
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15   BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

16               SECTION 1.       AMENDATORY       68 O.S. 2011, Section 1360, is  
17   amended to read as follows:

18       Section 1360.   Exemptions - Corporations - Partnerships.

19       There are hereby specifically exempted from the tax levied in  
20   ~~this article~~ Section 1350 et seq. of this title:

21       1.   The transfer of tangible personal property, as follows:

22               a.   from one corporation to another corporation pursuant  
23                   to a reorganization.   As used in this subparagraph the  
24                   term "reorganization" means a statutory merger or

1 consolidation or the acquisition by a corporation of  
2 substantially all of the properties of another  
3 corporation when the consideration is solely all or a  
4 part of the voting stock of the acquiring corporation,  
5 or of its parent or subsidiary corporation,

6 b. between wholly owned subsidiaries of a parent company  
7 and between a parent company and its wholly owned  
8 subsidiary,

9 c. in connection with the winding up, dissolution or  
10 liquidation of a corporation only when there is a  
11 distribution in kind to the shareholders of the  
12 property of such corporation,

13 ~~e.~~

14 d. to a corporation for the purpose of organization of  
15 such corporation where the former owners of the  
16 property transferred are immediately after the  
17 transfer in control of the corporation, and the value  
18 of the stock or securities received by each is  
19 substantially in proportion to the value of such  
20 person's interest in the property transferred by all  
21 the former owners,

22 ~~d.~~

23 e. to a partnership in the organization of such  
24 partnership if the former owners of the property

1 transferred are, immediately after the transfer,  
2 members of such partnership and the value of the  
3 interest in the partnership, received by each, is  
4 substantially in proportion to the value of such  
5 person's interest in the property transferred by all  
6 former owners,

7 ~~e.~~

8 f. from a partnership to the members thereof when made in  
9 kind in the dissolution of such partnership,

10 ~~f.~~

11 g. to a limited liability company in the organization of  
12 the limited liability company if the former owners of  
13 the property transferred are, immediately after the  
14 transfer, members of the limited liability company and  
15 the value of the interest in the limited liability  
16 company received by each is substantially in  
17 proportion to the value of the interest in the  
18 property transferred by all the former owners, and

19 ~~g.~~

20 h. from a limited liability company to the members  
21 thereof when made in kind in the dissolution of the  
22 limited liability company; and

23 2. Sale of an interest in tangible personal property to a  
24 partner or other person who after such sale owns a joint interest in

1 such tangible personal property where the Oklahoma Sales or Use Tax  
2 has previously been paid on such tangible personal property.

3 SECTION 2. This act shall become effective November 1, 2021.  
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5 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
6 02/23/2021 - DO PASS, As Amended and Coauthored.  
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