

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

HOUSE BILL 3854

By: Strom

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2021, Section 1356, which relates to sales tax exemptions for nonprofit entities; exempting avian research center; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, 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 of this state; provided, all sales to contractors in connection with the performance of any contract with the United States government, State of Oklahoma or any of its political subdivisions shall not be exempted from the tax levied by Section 1350 et seq. of this title, except as hereinafter provided;

1        2. Sales of property to agents appointed by or under contract  
2 with agencies or instrumentalities of the United States government  
3 if ownership and possession of such property transfers immediately  
4 to the United States government;

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

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

22       5. Sale of food in cafeterias or lunchrooms of elementary  
23 schools, high schools, colleges or universities which are operated  
24

1 primarily for teachers and pupils and are not operated primarily for  
2 the public or for profit;

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

14 7. Sale of tangible personal property or services to or by  
15 churches, except sales made in the course of business for profit or  
16 savings, competing with other persons engaged in the same or a  
17 similar business or sale of tangible personal property or services  
18 by an organization exempt from federal income tax pursuant to  
19 Section 501(c)(3) of the Internal Revenue Code of 1986, as amended,  
20 made on behalf of or at the request of a church or churches if the  
21 sale of such property is conducted not more than once each calendar  
22 year for a period not to exceed three (3) days by the organization  
23 and proceeds from the sale of such property are used by the church  
24 or churches or by the organization for charitable purposes;

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

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

20        10. Sale of tangible personal property or services to any  
21 county, municipality, rural water district, public school district,  
22 the institutions of The Oklahoma State System of Higher Education,  
23 the Grand River Dam Authority, the Northeast Oklahoma Public  
24 Facilities Authority, the Oklahoma Municipal Power Authority, City

1 of Tulsa-Rogers County Port Authority, Muskogee City-County Port  
2 Authority, the Oklahoma Department of Veterans Affairs, the Broken  
3 Bow Economic Development Authority, Ardmore Development Authority,  
4 Durant Industrial Authority, Oklahoma Ordnance Works Authority,  
5 Central Oklahoma Master Conservancy District, Arbuckle Master  
6 Conservancy District, Fort Cobb Master Conservancy District, Foss  
7 Reservoir Master Conservancy District, Mountain Park Master  
8 Conservancy District, Waurika Lake Master Conservancy District and  
9 the Office of Management and Enterprise Services only when carrying  
10 out a public construction contract on behalf of the Oklahoma  
11 Department of Veterans Affairs or to any person with whom any of the  
12 above-named subdivisions or agencies of this state has duly entered  
13 into a public contract pursuant to law, necessary for carrying out  
14 such public contract or to any subcontractor to such a public  
15 contract. Any person making purchases on behalf of such subdivision  
16 or agency of this state shall certify, in writing, on the copy of  
17 the invoice or sales ticket to be retained by the vendor that the  
18 purchases are made for and on behalf of such subdivision or agency  
19 of this state and set out the name of such public subdivision or  
20 agency. Any person who wrongfully or erroneously certifies that  
21 purchases are for any of the above-named subdivisions or agencies of  
22 this state or who otherwise violates this section shall be guilty of  
23 a misdemeanor and upon conviction thereof shall be fined an amount  
24

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

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

14 Any person, firm, agency or entity making purchases on behalf of  
15 any institution, agency or subdivision in this state, shall certify  
16 in writing, on the copy of the invoice or sales ticket the nature of  
17 the purchases, and violation of this paragraph shall be a  
18 misdemeanor as set forth in paragraph 10 of this section;

19 12. Tuition and educational fees paid to private institutions  
20 of higher education and private elementary and secondary  
21 institutions of education accredited by the State Department of  
22 Education or registered by the State Board of Education for purposes  
23 of participating in federal programs or accredited as defined by the  
24 Oklahoma State Regents for Higher Education which are exempt from

1 taxation pursuant to the provisions of the Internal Revenue Code, 26  
2 U.S.C., Section 501(c) (3);

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

4 (1) a public school,

5 (2) a private school offering instruction for grade  
6 levels kindergarten through twelfth grade,

7 (3) a public school district,

8 (4) a public or private school board,

9 (5) a public or private school student group or  
10 organization,

11 (6) a parent-teacher association or organization  
12 other than as specified in subparagraph b of this  
13 paragraph, or

14 (7) public or private school personnel for purposes  
15 of raising funds for the benefit of a public or  
16 private school, public school district, public or  
17 private school board or public or private school  
18 student group or organization, or

19 b. Sales of tangible personal property made by or to  
20 nonprofit parent-teacher associations or organizations  
21 exempt from taxation pursuant to the provisions of the  
22 Internal Revenue Code, 26 U.S.C., Section 501(c) (3),  
23 nonprofit local public or private school foundations  
24

1           which solicit money or property in the name of any  
2           public or private school or public school district.

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

10       14. Sales of tangible personal property by:

- 11           a. local 4-H clubs,
- 12           b. county, regional or state 4-H councils,
- 13           c. county, regional or state 4-H committees,
- 14           d. 4-H leader associations,
- 15           e. county, regional or state 4-H foundations, and
- 16           f. authorized 4-H camps and training centers.

17       The exemption provided by this paragraph shall be limited to  
18 sales for the purpose of raising funds for the benefit of such  
19 organizations. Sale of tangible personal property exempted by this  
20 paragraph shall include sale of admission tickets;

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



1        16. Sales of tangible personal property or services to any  
2 person with whom the Oklahoma Tourism and Recreation Department has  
3 entered into a public contract and which is necessary for carrying  
4 out such contract to assist the Department in the development and  
5 production of advertising, promotion, publicity and public relations  
6 programs;

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

20        18. Complimentary or free tickets for admission to places of  
21 amusement, sports, entertainment, exhibition, display or other  
22 recreational events or activities which are issued through a box  
23 office or other entity which is operated by a state institution of  
24

1 higher education with institutional employees or by a municipality  
2 with municipal employees;

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

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

16 21. Sales of tangible personal property or services to any  
17 organization, which takes court-adjudicated juveniles for purposes  
18 of rehabilitation, and which is exempt from taxation pursuant to the  
19 provisions of the Internal Revenue Code, 26 U.S.C., Section  
20 501(c)(3), provided that at least fifty percent (50%) of the  
21 juveniles served by such organization are court adjudicated and the  
22 organization receives state funds in an amount less than ten percent  
23 (10%) of the annual budget of the organization;

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

- 1           a.    any health center as defined in Section 254b of Title  
2               42 of the United States Code,
- 3           b.    any clinic receiving disbursements of state monies  
4               from the Indigent Health Care Revolving Fund pursuant  
5               to the provisions of Section 66 of Title 56 of the  
6               Oklahoma Statutes,
- 7           c.    any community-based health center which meets all of  
8               the following criteria:
- 9               (1)   provides primary care services at no cost to the  
10              recipient, and
- 11              (2)   is exempt from taxation pursuant to the  
12              provisions of Section 501(c)(3) of the Internal  
13              Revenue Code, 26 U.S.C., Section 501(c)(3), and
- 14           d.    any community mental health center as defined in  
15               Section 3-302 of Title 43A of the Oklahoma Statutes;

16       23.   Dues or fees including free or complimentary dues or fees  
17   which have a value equivalent to the charge that could have  
18   otherwise been made, to YMCAs, YWCAs or ~~municipally-owned~~  
19   municipally owned recreation centers for the use of facilities and  
20   programs;

21       24.   The first Fifteen Thousand Dollars (\$15,000.00) each year  
22   from sales of tangible personal property or services to or by a  
23   cultural organization established to sponsor and promote  
24   educational, charitable and cultural events for disadvantaged

1 children, and which organization is exempt from taxation pursuant to  
2 the provisions of the Internal Revenue Code, 26 U.S.C., Section  
3 501(c) (3);

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

18 26. Sales of tickets for admission by any museum accredited by  
19 the American Association of Museums. In order to be eligible for  
20 the exemption provided by this paragraph, an amount equivalent to  
21 the amount of the tax which would otherwise be required to be  
22 collected pursuant to the provisions of Section 1350 et seq. of this  
23 title shall be separately stated on the admission ticket and shall  
24 be collected and used for the sole purpose of servicing or aiding in

1 the servicing of debt incurred by the museum to effect the  
2 construction, enlarging or renovation of any facility to be used for  
3 entertainment, edification or cultural cultivation to which entry is  
4 gained with a paid admission ticket;

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

9 28. Sales of tangible personal property or services to the  
10 organization known as the Disabled American Veterans, Department of  
11 Oklahoma, Inc., and subordinate chapters thereof;

12 29. Sales of tangible personal property or services to youth  
13 camps which are supported or sponsored by one or more churches,  
14 members of which serve as trustees of the organization;

15 30. Transfer of tangible personal property made pursuant to  
16 Section 3226 of Title 63 of the Oklahoma Statutes by the University  
17 Hospitals Trust;

18 31. Sales of tangible personal property or services to a  
19 municipality, county or school district pursuant to a lease or  
20 lease-purchase agreement executed between the vendor and a  
21 municipality, county or school district. A copy of the lease or  
22 lease-purchase agreement shall be retained by the vendor;

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

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

11            a. the destruction in whole or in part of the satellite  
12                or launch vehicle,

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

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

16        34. The sale, lease, use, storage, consumption or distribution  
17 in this state of any space facility, space propulsion system or  
18 space vehicle, satellite or station of any kind possessing space  
19 flight capacity including components thereof;

20        35. The sale, lease, use, storage, consumption, or distribution  
21 in this state of tangible personal property, placed on or used  
22 aboard any space facility, space propulsion system or space vehicle,  
23 satellite, or station possessing space flight capacity, which is  
24 launched into space, irrespective of whether such tangible property

1 is returned to this state for subsequent use, storage, or  
2 consumption in any manner;

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

19 37. The purchase or lease of machinery and equipment for use at  
20 a fixed location in this state, which is used exclusively in the  
21 manufacturing, processing, compounding or producing of any space  
22 facility, space propulsion system or space vehicle, satellite or  
23 station of any kind possessing space flight capacity. Provided, the  
24 exemption provided for in this paragraph shall not be allowed unless

1 the purchaser or lessee signs an affidavit stating that the item or  
2 items to be exempted are for the exclusive use designated herein.  
3 Any person furnishing a false affidavit to the vendor for the  
4 purpose of evading payment of any tax imposed by Section 1354 of  
5 this title shall be subject to the penalties provided by law. As  
6 used in this paragraph, "machinery and equipment" means "section 38  
7 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the  
8 Internal Revenue Code of 1986, which is used as an integral part of  
9 the manufacturing, processing, compounding or producing of items of  
10 tangible personal property. Such term includes parts and  
11 accessories only to the extent that the exemption thereof is  
12 consistent with the provisions of this paragraph;

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

18 39. Sales of tangible personal property or services which are  
19 directly used in or for the benefit of a state park in this state,  
20 which are made 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) and which is organized primarily for the purpose  
23 of supporting one or more state parks located in this state;  
24



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

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

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

22        43. Sales of tangible personal property or services to or by an  
23 organization which:  
24

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

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

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

46. Sales of tangible personal property or services to or by an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section

1 501(c) (3) and is operating the Oklahoma City National Memorial and  
2 Museum, an affiliate of the National Park System;

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

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

16 49. Sales of tangible personal property or services to a state  
17 that borders this state or any political subdivision of that state,  
18 but only to the extent that the other state or political subdivision  
19 exempts or does not impose a tax on similar sales of items to this  
20 state or a political subdivision of this state;

21 50. Effective July 1, 2005, sales of tangible personal property  
22 or services to the Career Technology Student Organizations under the  
23 direction and supervision of the Oklahoma Department of Career and  
24 Technology Education;

1        51. Sales of tangible personal property to a public trust  
2 having either a single city, town or county or multiple cities,  
3 towns or counties or combination thereof as beneficiary or  
4 beneficiaries or a nonprofit organization which is exempt from  
5 taxation pursuant to the provisions of the Internal Revenue Code, 26  
6 U.S.C., Section 501(c)(3) for the purpose of constructing  
7 improvements to or expanding a hospital or nursing home owned and  
8 operated by any such public trust or nonprofit entity prior to July  
9 1, 2008, in counties with a population of less than one hundred  
10 thousand (100,000) persons, according to the most recent Federal  
11 Decennial Census. As used in this paragraph, "constructing  
12 improvements to or expanding" shall not mean any expense for routine  
13 maintenance or general repairs and shall require a project cost of  
14 at least One Hundred Thousand Dollars (\$100,000.00). For purposes  
15 of this paragraph, sales made to a contractor or subcontractor that  
16 enters into a contractual relationship with a public trust or  
17 nonprofit entity as described by this paragraph shall be considered  
18 sales made to the public trust or nonprofit entity. The exemption  
19 authorized by this paragraph shall be administered in the form of a  
20 refund from the sales tax revenues apportioned pursuant to Section  
21 1353 of this title and the vendor shall be required to collect the  
22 sales tax otherwise applicable to the transaction. The purchaser  
23 may apply for a refund of the sales tax paid in the manner  
24 prescribed by this paragraph. Within thirty (30) days after the end

1 of each fiscal year, any purchaser that is entitled to make  
2 application for a refund based upon the exempt treatment authorized  
3 by this paragraph may file an application for refund of the sales  
4 taxes paid during such preceding fiscal year. The Tax Commission  
5 shall prescribe a form for purposes of making the application for  
6 refund. The Tax Commission shall determine whether or not the total  
7 amount of sales tax exemptions claimed by all purchasers is equal to  
8 or less than Six Hundred Fifty Thousand Dollars (\$650,000.00). If  
9 such claims are less than or equal to that amount, the Tax  
10 Commission shall make refunds to the purchasers in the full amount  
11 of the documented and verified sales tax amounts. If such claims by  
12 all purchasers are in excess of Six Hundred Fifty Thousand Dollars  
13 (\$650,000.00), the Tax Commission shall determine the amount of each  
14 purchaser's claim, the total amount of all claims by all purchasers,  
15 and the percentage each purchaser's claim amount bears to the total.  
16 The resulting percentage determined for each purchaser shall be  
17 multiplied by Six Hundred Fifty Thousand Dollars (\$650,000.00) to  
18 determine the amount of refundable sales tax to be paid to each  
19 purchaser. The pro rata refund amount shall be the only method to  
20 recover sales taxes paid during the preceding fiscal year and no  
21 balance of any sales taxes paid on a pro rata basis shall be the  
22 subject of any subsequent refund claim pursuant to this paragraph;

23 52. Effective July 1, 2006, sales of tangible personal property  
24 or services to any organization which assists, trains, educates, and

1 provides housing for physically and mentally handicapped persons and  
2 which is exempt from taxation pursuant to the provisions of the  
3 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and that  
4 receives at least eighty-five percent (85%) of its annual budget  
5 from state or federal funds. In order to receive the benefit of the  
6 exemption authorized by this paragraph, the taxpayer shall be  
7 required to make payment of the applicable sales tax at the time of  
8 sale to the vendor in the manner otherwise required by law.

9 Notwithstanding any other provision of the Oklahoma Uniform Tax  
10 Procedure Code to the contrary, the taxpayer shall be authorized to  
11 file a claim for refund of sales taxes paid that qualify for the  
12 exemption authorized by this paragraph for a period of one (1) year  
13 after the date of the sale transaction. The taxpayer shall be  
14 required to provide documentation as may be prescribed by the  
15 Oklahoma Tax Commission in support of the refund claim. The total  
16 amount of sales tax qualifying for exempt treatment pursuant to this  
17 paragraph shall not exceed One Hundred Seventy-five Thousand Dollars  
18 (\$175,000.00) each fiscal year. Claims for refund shall be  
19 processed in the order in which such claims are received by the  
20 Oklahoma Tax Commission. If a claim otherwise timely filed exceeds  
21 the total amount of refunds payable for a fiscal year, such claim  
22 shall be barred;

23 53. The first Two Thousand Dollars (\$2,000.00) each year of  
24 sales of tangible personal property or services to, by, or for the

benefit of a qualified neighborhood watch organization that is endorsed or supported by or working directly with a law enforcement agency with jurisdiction in the area in which the neighborhood watch organization is located. As used in this paragraph, "qualified neighborhood watch organization" means an organization that is a not-for-profit corporation under the laws of the State of Oklahoma that was created to help prevent criminal activity in an area through community involvement and interaction with local law enforcement and which is one of the first two thousand organizations which makes application to the Oklahoma Tax Commission for the exemption after March 29, 2006;

54. Sales of tangible personal property to a nonprofit organization, exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), organized primarily for the purpose of providing services to homeless persons during the day and located in a metropolitan area with a population in excess of five hundred thousand (500,000) persons according to the latest Federal Decennial Census. The exemption authorized by this paragraph shall be applicable to sales of tangible personal property to a qualified entity occurring on or after January 1, 2005;

55. Sales of tangible personal property or services to or by an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section

1 501(c)(3) for events the principal purpose of which is to provide  
2 funding for the preservation of wetlands and habitat for wild ducks;

3 56. 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) for events the principal purpose of which is to provide  
7 funding for the preservation and conservation of wild turkeys;

8 57. Sales of tangible personal property or services to an  
9 organization which:

10 a. is exempt from taxation pursuant to the provisions of  
11 the Internal Revenue Code, 26 U.S.C., Section  
12 501(c)(3), and

13 b. is part of a network of community-based, autonomous  
14 member organizations that meets the following  
15 criteria:

16 (1) serves people with workplace disadvantages and  
17 disabilities by providing job training and  
18 employment services, as well as job placement  
19 opportunities and post-employment support,

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

22 (3) collects donated clothing and household goods to  
23 sell in retail stores and provides contract labor  
24 services to business and government, and



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

6           58. Sales of tickets made on or after September 21, 2005, and  
7 complimentary or free tickets for admission issued on or after  
8 September 21, 2005, which have a value equivalent to the charge that  
9 would have otherwise been made, for admission to a professional  
10 athletic event in which a team in the National Basketball  
11 Association is a participant, which is held in a facility owned or  
12 operated by a municipality, a county or a public trust of which a  
13 municipality or a county is the sole beneficiary, and sales of  
14 tickets made on or after July 1, 2007, and complimentary or free  
15 tickets for admission issued on or after July 1, 2007, which have a  
16 value equivalent to the charge that would have otherwise been made,  
17 for admission to a professional athletic event in which a team in  
18 the National Hockey League is a participant, which is held in a  
19 facility owned or operated by a municipality, a county or a public  
20 trust of which a municipality or a county is the sole beneficiary;

21           59. Sales of tickets for admission and complimentary or free  
22 tickets for admission which have a value equivalent to the charge  
23 that would have otherwise been made to a professional sporting event  
24 involving ice hockey, baseball, basketball, football or arena

1 football, or soccer. As used in this paragraph, "professional  
2 sporting event" means an organized athletic competition between  
3 teams that are members of an organized league or association with  
4 centralized management, other than a national league or national  
5 association, that imposes requirements for participation in the  
6 league upon the teams, the individual athletes or both, and which  
7 uses a salary structure to compensate the athletes;

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

15 61. Sales of tangible personal property or services to an  
16 organization, which is exempt from taxation pursuant to the  
17 provisions of the Internal Revenue Code, 26 U.S.C., Section  
18 501(c)(3), and which is itself a member of an organization which is  
19 exempt from taxation pursuant to the provisions of the Internal  
20 Revenue Code, 26 U.S.C., Section 501(c)(3), if the membership  
21 organization is primarily engaged in advancing the purposes of its  
22 member organizations through fundraising, public awareness or other  
23 efforts for the benefit of its member organizations, and if the  
24 member organization is primarily engaged either in providing

1 educational services and programs concerning health-related diseases  
2 and conditions to individuals suffering from such health-related  
3 diseases and conditions or their caregivers and family members or  
4 support to such individuals, or in health-related research as to  
5 such diseases and conditions, or both. In order to qualify for the  
6 exemption authorized by this paragraph, the member nonprofit  
7 organization shall be required to provide proof to the Oklahoma Tax  
8 Commission of its membership status in the membership organization;

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

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

18 64. Sales of tangible personal property or services to or by a  
19 veteran's organization which is exempt from taxation pursuant to the  
20 provisions of the Internal Revenue Code, 26 U.S.C., Section  
21 501(c)(19) and which is known as the Veterans of Foreign Wars of the  
22 United States, Oklahoma Chapters;

23 65. Sales of boxes of food by a church or by an organization,  
24 which is exempt from taxation pursuant to the provisions of the

1 Internal Revenue Code, 26 U.S.C., Section 501(c)(3). To qualify  
2 under the provisions of this paragraph, the organization must be  
3 organized for the primary purpose of feeding needy individuals or to  
4 encourage volunteer service by requiring such service in order to  
5 purchase food. These boxes shall only contain edible staple food  
6 items;

7 66. Sales of tangible personal property or services to any  
8 person with whom a church has duly entered into a construction  
9 contract, necessary for carrying out such contract or to any  
10 subcontractor to such a construction contract;

11 67. Sales of tangible personal property or services used  
12 exclusively for charitable or educational purposes, to or by an  
13 organization which:

- 14 a. is exempt from taxation pursuant to the provisions of  
15 the Internal Revenue Code, 26 U.S.C., Section  
16 501(c)(3),
- 17 b. has filed a Not-for-Profit Certificate of  
18 Incorporation in this state, and
- 19 c. is organized for the purpose of:
  - 20 (1) providing training and education to
  - 21 developmentally disabled individuals,
  - 22 (2) educating the community about the rights,
  - 23 abilities and strengths of developmentally
  - 24 disabled individuals, and

1 (3) promoting unity among developmentally disabled  
2 individuals in their community and geographic  
3 area;

4 68. Sales of tangible personal property or services to any  
5 organization which is a shelter for abused, neglected, or abandoned  
6 children and which is exempt from taxation pursuant to the  
7 provisions of the Internal Revenue Code, 26 U.S.C., Section  
8 501(c)(3); provided, until July 1, 2008, such exemption shall apply  
9 only to eligible shelters for children from birth to age twelve (12)  
10 and after July 1, 2008, such exemption shall apply to eligible  
11 shelters for children from birth to age eighteen (18);

12 69. Sales of tangible personal property or services to a child  
13 care center which is licensed pursuant to the Oklahoma Child Care  
14 Facilities Licensing Act and which:

- 15 a. possesses a 3-star rating from the Department of Human  
16 Services Reaching for the Stars Program or a national  
17 accreditation, and  
18 b. allows ~~on-site~~ on-site universal ~~pre-kindergarten~~  
19 prekindergarten education to be provided to four-year-  
20 old children through a contractual agreement with any  
21 public school or school district.

22 For the purposes of this paragraph, sales made to any person,  
23 firm, agency or entity that has entered previously into a  
24 contractual relationship with a child care center for construction

1 and improvement of buildings and other structures owned by the child  
2 care center and operated for educational purposes shall be  
3 considered sales made to a child care center. Any such person,  
4 firm, agency or entity making purchases on behalf of a child care  
5 center shall certify, in writing, on the copy of the invoice or  
6 sales ticket the nature of the purchase. Any such person, or person  
7 acting on behalf of a firm, agency or entity making purchases on  
8 behalf of a child care center in violation of this paragraph shall  
9 be guilty of a misdemeanor and upon conviction thereof shall be  
10 fined an amount equal to double the amount of sales tax involved or  
11 incarcerated for not more than sixty (60) days or both;

12 70. a. Sales of tangible personal property to a service  
13 organization of mothers who have children who are  
14 serving or who have served in the military, which  
15 service organization is exempt from taxation pursuant  
16 to the provisions of the Internal Revenue Code, 26  
17 U.S.C., Section 501(c)(19) and which is known as the  
18 Blue Star Mothers of America, Inc. The exemption  
19 provided by this paragraph shall only apply to the  
20 purchase of tangible personal property actually sent  
21 to United States military personnel overseas who are  
22 serving in a combat zone and not to any other tangible  
23 personal property purchased by the organization.  
24 Provided, this exemption shall not apply to any sales

1 tax levied by a city, town, county, or any other  
2 jurisdiction in this state.

3 b. The exemption authorized by this paragraph shall be  
4 administered in the form of a refund from the sales  
5 tax revenues apportioned pursuant to Section 1353 of  
6 this title, and the vendor shall be required to  
7 collect the sales tax otherwise applicable to the  
8 transaction. The purchaser may apply for a refund of  
9 the state sales tax paid in the manner prescribed by  
10 this paragraph. Within sixty (60) days after the end  
11 of each calendar quarter, any purchaser that is  
12 entitled to make application for a refund based upon  
13 the exempt treatment authorized by this paragraph may  
14 file an application for refund of the state sales  
15 taxes paid during such preceding calendar quarter.  
16 The Tax Commission shall prescribe a form for purposes  
17 of making the application for refund.

18 c. A purchaser who applies for a refund pursuant to this  
19 paragraph shall certify that the items were actually  
20 sent to military personnel overseas in a combat zone.  
21 Any purchaser that applies for a refund for the  
22 purchase of items that are not authorized for  
23 exemption under this paragraph shall be subject to a  
24

penalty in the amount of Five Hundred Dollars  
(\$500.00);

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

72. Sales of tangible personal property or services for use solely on construction projects for organizations which are exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and whose purpose is providing end-of-life care and access to hospice services to low-income individuals who live in a facility owned by the organization. The exemption provided by this paragraph applies to sales to the organization as well as to sales to any person with whom the organization has duly entered into a construction contract, necessary for carrying out such contract or to any subcontractor to such a construction contract. Any person making purchases on behalf of such organization shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the purchases are made for and on behalf of such organization and set out the name of such organization. Any person who wrongfully or erroneously certifies that purchases are for any of the above-named organizations or who otherwise violates this section shall be guilty



1 of a misdemeanor and upon conviction thereof shall be fined an  
2 amount equal to double the amount of sales tax involved or  
3 incarcerated for not more than sixty (60) days or both;

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

9 74. Sales of tangible personal property or services:

10 a. to a foundation which is exempt from taxation pursuant  
11 to the provisions of the Internal Revenue Code, 26  
12 U.S.C., Section 501(c)(3) and which raises tax-  
13 deductible contributions in support of a wide range of  
14 firearms-related public interest activities of the  
15 National Rifle Association of America and other  
16 organizations that defend and foster Second Amendment  
17 rights, and

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

22 75. Sales by an organization or entity which is exempt from  
23 taxation pursuant to the provisions of the Internal Revenue Code, 26  
24 U.S.C., Section 501(c)(3) which are related to a fundraising event

1 sponsored by the organization or entity when the event does not  
2 exceed any five (5) consecutive days and when the sales are not in  
3 the organization's or the entity's regular course of business.  
4 Provided, the exemption provided in this paragraph shall be limited  
5 to tickets sold for admittance to the fundraising event and items  
6 which were donated to the organization or entity for sale at the  
7 event;

8       76. Effective November 1, 2017, sales of tangible personal  
9 property or services to an organization which is exempt from  
10 taxation pursuant to the provisions of the Internal Revenue Code, 26  
11 U.S.C., Section 501(c)(3) and operates as a collaborative model  
12 which connects community agencies in one location to serve  
13 individuals and families affected by violence and where victims have  
14 access to services and advocacy at no cost to the victim;

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

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

1        79. Sales of tangible personal property or services to the  
2 American Legion, whether the purchase is made by the entity  
3 chartered by the United States Congress or is an entity organized  
4 under the laws of this or another state pursuant to the authority of  
5 the national American Legion organization;

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

- 8            a. exempt from taxation pursuant to the provisions of the  
9                Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
- 10           b. verified with a letter from the MIT Fab Foundation as  
11                an official member of the Fab Lab Network in  
12                compliance with the Fab Charter, and
- 13           c. able to provide documentation that its primary and  
14                principal purpose is to provide community access to  
15                advanced 21st century manufacturing and digital  
16                fabrication tools for science, technology,  
17                engineering, art and math (STEAM) learning skills,  
18                developing inventions, creating and sustaining  
19                businesses and producing personalized products; ~~and~~

20        81. Effective November 1, 2021, through December 31, 2024,  
21 sales of tangible personal property or services to a museum that:

- 22           a. operates as a part of an organization which is exempt  
23                from taxation pursuant to the provisions of the  
24                Internal Revenue Code, 26 U.S.C., Section 501(c)(3),

1           b.    is not accredited by the American Alliance of Museums,  
2                    and

3           c.    operates on an annual budget of less than One Million  
4                    Dollars (\$1,000,000.00); and

5       82. Sales of tangible personal property to an avian research  
6 center which is exempt from taxation pursuant to the provisions of  
7 the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and which  
8 promotes conservation, education, and research of endangered, rare,  
9 and understudied birds.

10       SECTION 2. This act shall become effective November 1, 2022.

11  
12       58-2-8914           AQH       12/07/21  
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