

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2316 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Kyle Hilbert

\_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 PROPOSED COMMITTEE  
4 SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2316

By: Hilbert

7 PROPOSED COMMITTEE SUBSTITUTE

8 An Act relating to revenue and taxation; amending 68  
9 O.S. 2021, Sections 1352 and 1356, as last amended  
10 by Section 1, Chapter 394, O.S.L. 2022 (68 O.S. Supp.  
11 2022, Section 1356), which relate to sales taxation;  
12 modifying definitions; providing definition of  
13 occasional sales; modifying provisions for exemption  
14 from sales taxation; providing an effective date; and  
15 declaring an emergency.

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

17 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1352, is  
18 amended to read as follows:

19 Section 1352. Definitions.

20 As used in the Oklahoma Sales Tax Code:

21 1. "Bundled transaction" means the retail sale of two or more  
22 products, except real property and services to real property, where  
23 the products are otherwise distinct and identifiable, and the  
24 products are sold for one nonitemized price. A "bundled  
transaction" does not include the sale of any products in which the  
sales price varies, or is negotiable, based on the selection by the

1 purchaser of the products included in the transaction. As used in  
2 this paragraph:

3 a. "distinct and identifiable products" does not include:

4 (1) packaging such as containers, boxes, sacks, bags,  
5 and bottles, or other materials such as wrapping,  
6 labels, tags, and instruction guides, that  
7 accompany the retail sale of the products and are  
8 incidental or immaterial to the retail sale  
9 thereof, including but not limited to, grocery  
10 sacks, shoeboxes, dry cleaning garment bags and  
11 express delivery envelopes and boxes,

12 (2) a product provided free of charge with the  
13 required purchase of another product. A product  
14 is provided free of charge if the sales price of  
15 the product purchased does not vary depending on  
16 the inclusion of the product provided free of  
17 charge, or

18 (3) items included in the definition of gross  
19 receipts or sales price, pursuant to this  
20 section,

21 b. "one nonitemized price" does not include a price that  
22 is separately identified by product on binding sales  
23 or other supporting sales-related documentation made  
24 available to the customer in paper or electronic form

1 including, but not limited to an invoice, bill of  
2 sale, receipt, contract, service agreement, lease  
3 agreement, periodic notice of rates and services, rate  
4 card, or price list,

5 A transaction that otherwise meets the definition of a bundled  
6 transaction shall not be considered a bundled transaction if it is:

7 (1) the retail sale of tangible personal property and  
8 a service where the tangible personal property is  
9 essential to the use of the service, and is  
10 provided exclusively in connection with the  
11 service, and the true object of the transaction  
12 is the service,

13 (2) the retail sale of services where one service is  
14 provided that is essential to the use or receipt  
15 of a second service and the first service is  
16 provided exclusively in connection with the  
17 second service and the true object of the  
18 transaction is the second service,

19 (3) a transaction that includes taxable products and  
20 nontaxable products and the purchase price or  
21 sales price of the taxable products is de  
22 minimis. For purposes of this subdivision, "de  
23 minimis" means the seller's purchase price or  
24 sales price of taxable products is ten percent

1 (10%) or less of the total purchase price or  
2 sales price of the bundled products. Sellers  
3 shall use either the purchase price or the sales  
4 price of the products to determine if the taxable  
5 products are de minimis. Sellers may not use a  
6 combination of the purchase price and sales price  
7 of the products to determine if the taxable  
8 products are de minimis. Sellers shall use the  
9 full term of a service contract to determine if  
10 the taxable products are de minimis, or

11 (4) the retail sale of exempt tangible personal  
12 property and taxable tangible personal property  
13 where:

14 (a) the transaction includes food and food  
15 ingredients, drugs, durable medical  
16 equipment, mobility enhancing equipment,  
17 over-the-counter drugs, prosthetic devices  
18 or medical supplies, and

19 (b) the seller's purchase price or sales price  
20 of the taxable tangible personal property is  
21 fifty percent (50%) or less of the total  
22 purchase price or sales price of the bundled  
23 tangible personal property. Sellers may not  
24 use a combination of the purchase price and

1 sales price of the tangible personal  
2 property when making the fifty percent (50%)  
3 determination for a transaction;

4 2. "Business" means any activity engaged in or caused to be  
5 engaged in by any person with the object of gain, benefit, or  
6 advantage, either direct or indirect;

7 3. "Commission" or "Tax Commission" means the Oklahoma Tax  
8 Commission;

9 4. "Computer" means an electronic device that accepts  
10 information in digital or similar form and manipulates it for a  
11 result based on a sequence of instructions;

12 5. "Computer software" means a set of coded instructions  
13 designed to cause a "computer" or automatic data processing  
14 equipment to perform a task;

15 6. "Consumer" or "user" means a person to whom a taxable sale  
16 of tangible personal property is made or to whom a taxable service  
17 is furnished. "Consumer" or "user" includes all contractors to whom  
18 a taxable sale of materials, supplies, equipment, or other tangible  
19 personal property is made or to whom a taxable service is furnished  
20 to be used or consumed in the performance of any contract;

21 7. "Contractor" means any person who performs any improvement  
22 upon real property and who, as a necessary and incidental part of  
23 performing such improvement, incorporates tangible personal property  
24

1 belonging to or purchased by the person into the real property being  
2 improved;

3 8. "Drug" means a compound, substance or preparation, and any  
4 component of a compound, substance or preparation:

5 a. recognized in the official United States  
6 Pharmacopoeia, official Homeopathic Pharmacopoeia of  
7 the United States, or official National Formulary, and  
8 supplement to any of them,

9 b. intended for use in the diagnosis, cure, mitigation,  
10 treatment, or prevention of disease, or

11 c. intended to affect the structure or any function of  
12 the body;

13 9. "Electronic" means relating to technology having electrical,  
14 digital, magnetic, wireless, optical, electromagnetic, or similar  
15 capabilities;

16 10. "Established place of business" means the location at which  
17 any person regularly engages in, conducts, or operates a business in  
18 a continuous manner for any length of time, that is open to the  
19 public during the hours customary to such business, in which a stock  
20 of merchandise for resale is maintained, and which is not exempted  
21 by law from attachment, execution, or other species of forced sale  
22 barring any satisfaction of any delinquent tax liability accrued  
23 under the Oklahoma Sales Tax Code;

24 11. "Fair authority" means:

- 1 a. any county, municipality, school district, public  
2 trust or any other political subdivision of this  
3 state, or
- 4 b. any not-for-profit corporation acting pursuant to an  
5 agency, operating or management agreement which has  
6 been approved or authorized by the governing body of  
7 any of the entities specified in subparagraph a of  
8 this paragraph which conduct, operate or produce a  
9 fair commonly understood to be a county, district or  
10 state fair;

- 11 12. a. "Gross receipts", "gross proceeds" or "sales price"  
12 means the total amount of consideration, including  
13 cash, credit, property and services, for which  
14 personal property or services are sold, leased or  
15 rented, valued in money, whether received in money or  
16 otherwise, without any deduction for the following:
- 17 (1) the seller's cost of the property sold,
  - 18 (2) the cost of materials used, labor or service  
19 cost,
  - 20 (3) interest, losses, all costs of transportation to  
21 the seller, all taxes imposed on the seller, and  
22 any other expense of the seller,
- 23  
24



1 (4) charges by the seller for any services necessary  
2 to complete the sale, other than delivery and  
3 installation charges,

4 (5) delivery charges and installation charges, unless  
5 separately stated on the invoice, billing or  
6 similar document given to the purchaser, and

7 (6) credit for any trade-in.

8 b. Such term shall not include:

9 (1) discounts, including cash, term, or coupons that  
10 are not reimbursed by a third party that are  
11 allowed by a seller and taken by a purchaser on a  
12 sale,

13 (2) interest, financing, and carrying charges from  
14 credit extended on the sale of personal property  
15 or services, if the amount is separately stated  
16 on the invoice, bill of sale or similar document  
17 given to the purchaser, and

18 (3) any taxes legally imposed directly on the  
19 consumer that are separately stated on the  
20 invoice, bill of sale or similar document given  
21 to the purchaser.

22 c. Such term shall include consideration received by the  
23 seller from third parties if:

24

- 1 (1) the seller actually receives consideration from a  
2 party other than the purchaser and the  
3 consideration is directly related to a price  
4 reduction or discount on the sale,
- 5 (2) the seller has an obligation to pass the price  
6 reduction or discount through to the purchaser,
- 7 (3) the amount of the consideration attributable to  
8 the sale is fixed and determinable by the seller  
9 at the time of the sale of the item to the  
10 purchaser, and
- 11 (4) one of the following criteria is met:
  - 12 (a) the purchaser presents a coupon, certificate  
13 or other documentation to the seller to  
14 claim a price reduction or discount where  
15 the coupon, certificate or documentation is  
16 authorized, distributed or granted by a  
17 third party with the understanding that the  
18 third party will reimburse any seller to  
19 whom the coupon, certificate or  
20 documentation is presented,
  - 21 (b) the purchaser identifies himself or herself  
22 to the seller as a member of a group or  
23 organization entitled to a price reduction  
24 or discount; provided, a "preferred

1 customer" card that is available to any  
2 patron does not constitute membership in  
3 such a group, or

4 (c) the price reduction or discount is  
5 identified as a third-party price reduction  
6 or discount on the invoice received by the  
7 purchaser or on a coupon, certificate or  
8 other documentation presented by the  
9 purchaser;

10 13. a. "Maintaining a place of business in this state" means  
11 and shall be presumed to include:

12 (1) (a) utilizing or maintaining in this state,  
13 directly or by subsidiary, an office,  
14 distribution house, sales house, warehouse,  
15 or other physical place of business, whether  
16 owned or operated by the vendor or any other  
17 person, other than a common carrier acting  
18 in its capacity as such, or

19 (b) having agents operating in this state,  
20 whether the place of business or agent is  
21 within this state temporarily or permanently  
22 or whether the person or agent is authorized  
23 to do business within this state, and  
24

1 (2) the presence of any person, other than a common  
2 carrier acting in its capacity as such, that has  
3 substantial nexus in this state and that:

4 (a) sells a similar line of products as the  
5 vendor and does so under the same or a  
6 similar business name,

7 (b) uses trademarks, service marks or trade  
8 names in this state that are the same or  
9 substantially similar to those used by the  
10 vendor,

11 (c) delivers, installs, assembles or performs  
12 maintenance services for the vendor,

13 (d) facilitates the vendor's delivery of  
14 property to customers in the state by  
15 allowing the vendor's customers to pick up  
16 property sold by the vendor at an office,  
17 distribution facility, warehouse, storage  
18 place or similar place of business  
19 maintained by the person in this state, or

20 (e) conducts any other activities in this state  
21 that are significantly associated with the  
22 vendor's ability to establish and maintain a  
23 market in this state for the vendor's sale.  
24

1           b. The presumptions in divisions (1) and (2) of  
2           subparagraph a of this paragraph may be rebutted by  
3           demonstrating that the person's activities in this  
4           state are not significantly associated with the  
5           vendor's ability to establish and maintain a market in  
6           this state for the vendor's sales.

7           c. Any ruling, agreement or contract, whether written or  
8           oral, express or implied, between a person and  
9           executive branch of this state, or any other state  
10          agency or department, stating, agreeing or ruling that  
11          the person is not "maintaining a place of business in  
12          this state" or is not required to collect sales and  
13          use tax in this state despite the presence of a  
14          warehouse, distribution center or fulfillment center  
15          in this state that is owned or operated by the vendor  
16          or an affiliated person of the vendor shall be null  
17          and void unless it is specifically approved by a  
18          majority vote of each house of the Oklahoma  
19          Legislature;

20          14. "Manufacturing" means and includes the activity of  
21          converting or conditioning tangible personal property by changing  
22          the form, composition, or quality of character of some existing  
23          material or materials, including natural resources, by procedures  
24          commonly regarded by the average person as manufacturing,

1 compounding, processing or assembling, into a material or materials  
2 with a different form or use. "Manufacturing" does not include  
3 extractive industrial activities such as mining, quarrying, logging,  
4 and drilling for oil, gas and water, nor oil and gas field  
5 processes, such as natural pressure reduction, mechanical  
6 separation, heating, cooling, dehydration and compression;

7 15. "Manufacturing operation" means the designing,  
8 manufacturing, compounding, processing, assembling, warehousing, or  
9 preparing of articles for sale as tangible personal property. A  
10 manufacturing operation begins at the point where the materials  
11 enter the manufacturing site and ends at the point where a finished  
12 product leaves the manufacturing site. "Manufacturing operation"  
13 does not include administration, sales, distribution,  
14 transportation, site construction, or site maintenance. Extractive  
15 activities and field processes shall not be deemed to be a part of a  
16 manufacturing operation even when performed by a person otherwise  
17 engaged in manufacturing;

18 16. "Manufacturing site" means a location where a manufacturing  
19 operation is conducted, including a location consisting of one or  
20 more buildings or structures in an area owned, leased, or controlled  
21 by a manufacturer;

22 17. "Occasional sale" means:

23 a. an isolated sale or series of sales by a person who  
24 does not habitually engage, or hold himself out as

1 engaging, in the business of selling the same or  
2 similar items at retail,

3 b. the sale of the entire operating assets of a business  
4 or of a separate division, branch, or identifiable  
5 segment of a business,

6 c. the sale of tangible personal property by an  
7 individual if:

8 (1) the property was originally bought by the  
9 individual or a member of the individual's family  
10 for the personal use of the individual or the  
11 individual's family,

12 (2) the individual does not hold a permit issued  
13 under this code and is not required to obtain a  
14 permit as a "seller" or "retailer" as those terms  
15 are defined by law,

16 (3) the individual does not employ an auctioneer,  
17 broker, or factor, other than an online auction,  
18 to sell the property, and

19 (4) the total receipts from sales of the individual's  
20 tangible personal property in a calendar year do  
21 not exceed Three Thousand Dollars (\$3,000.00),

22 d. within the meaning of subparagraph b of this  
23 paragraph, separate division, branch, or identifiable  
24 segment of a business exists if before its sale the

1 income and expenses attributable to the separate  
2 division, branch, or segment could be separately  
3 ascertained from the books of account or record,

4 e. this section does not apply to:

5 (1) a rental or lease of a taxable item,

6 (2) sales of taxable items held on consignment,

7 (3) sales made, supervised or aided by an auctioneer,  
8 or agent or employee of an auctioneer,

9 (4) the sale of motor vehicles, and

10 f. "Series of sales" means any multiple sales of tangible  
11 personal property, for a limited duration not to  
12 exceed thirty (30) consecutive days. Each individual  
13 sale of the multiple sales shall meet the definition  
14 of occasional sale as provided in this subsection.

15 18. "Over-the-counter drug" means a drug that contains a label  
16 that identifies the product as a drug as required by 21 C.F.R.,  
17 Section 201.66. The over-the-counter-drug label includes:

18 a. a "Drug Facts" panel, or

19 b. a statement of the "active ingredient(s)" with a list  
20 of those ingredients contained in the compound,  
21 substance or preparation;

22 ~~18.~~ 19. "Person" means any individual, company, partnership,  
23 joint venture, joint agreement, association, mutual or otherwise,  
24 limited liability company, corporation, estate, trust, business



1 trust, receiver or trustee appointed by any state or federal court  
2 or otherwise, syndicate, this state, any county, city, municipality,  
3 school district, any other political subdivision of the state, or  
4 any group or combination acting as a unit, in the plural or singular  
5 number;

6 ~~19.~~ 20. "Prescription" means an order, formula or recipe issued  
7 in any form of oral, written, electronic, or other means of  
8 transmission by a duly licensed "practitioner" as defined in Section  
9 1357.6 of this title;

10 ~~20.~~ 21. "Prewritten computer software" means "computer  
11 software", including prewritten upgrades, which is not designed and  
12 developed by the author or other creator to the specifications of a  
13 specific purchaser. The combining of two or more prewritten  
14 computer software programs or prewritten portions thereof does not  
15 cause the combination to be other than prewritten computer software.  
16 Prewritten software includes software designed and developed by the  
17 author or other creator to the specifications of a specific  
18 purchaser when it is sold to a person other than the purchaser.  
19 Where a person modifies or enhances computer software of which the  
20 person is not the author or creator, the person shall be deemed to  
21 be the author or creator only of such person's modifications or  
22 enhancements. Prewritten software or a prewritten portion thereof  
23 that is modified or enhanced to any degree, where such modification  
24 or enhancement is designed and developed to the specifications of a

1 specific purchaser, remains prewritten software; provided, however,  
2 that where there is a reasonable, separately stated charge or an  
3 invoice or other statement of the price given to the purchaser for  
4 such modification or enhancement, such modification or enhancement  
5 shall not constitute prewritten computer software;

6 ~~21.~~ 22. "Repairman" means any person who performs any repair  
7 service upon tangible personal property of the consumer, whether or  
8 not the repairman, as a necessary and incidental part of performing  
9 the service, incorporates tangible personal property belonging to or  
10 purchased by the repairman into the tangible personal property being  
11 repaired;

12 ~~22.~~ 23. "Sale" means the transfer of either title or possession  
13 of tangible personal property for a valuable consideration  
14 regardless of the manner, method, instrumentality, or device by  
15 which the transfer is accomplished in this state, or other  
16 transactions as provided by this paragraph, including but not  
17 limited to:

- 18 a. the exchange, barter, lease, or rental of tangible  
19 personal property resulting in the transfer of the  
20 title to or possession of the property,
- 21 b. the disposition for consumption or use in any business  
22 or by any person of all goods, wares, merchandise, or  
23 property which has been purchased for resale,  
24 manufacturing, or further processing,

- 1 c. the sale, gift, exchange, or other disposition of  
2 admission, dues, or fees to clubs, places of  
3 amusement, or recreational or athletic events or for  
4 the privilege of having access to or the use of  
5 amusement, recreational, athletic or entertainment  
6 facilities,
- 7 d. the furnishing or rendering of services taxable under  
8 the Oklahoma Sales Tax Code, and
- 9 e. any use of motor fuel or diesel fuel by a supplier, as  
10 defined in Section 500.3 of this title, upon which  
11 sales tax has not previously been paid, for purposes  
12 other than to propel motor vehicles over the public  
13 highways of this state. Motor fuel or diesel fuel  
14 purchased outside the state and used for purposes  
15 other than to propel motor vehicles over the public  
16 highways of this state shall not constitute a sale  
17 within the meaning of this paragraph;

18 ~~23.~~ 24. "Sale for resale" means:

- 19 a. a sale of tangible personal property to any purchaser  
20 who is purchasing tangible personal property for the  
21 purpose of reselling it within the geographical limits  
22 of the United States of America or its territories or  
23 possessions, in the normal course of business either  
24 in the form or condition in which it is purchased or

1 as an attachment to or integral part of other tangible  
2 personal property,

3 b. a sale of tangible personal property to a purchaser  
4 for the sole purpose of the renting or leasing, within  
5 the geographical limits of the United States of  
6 America or its territories or possessions, of the  
7 tangible personal property to another person by the  
8 purchaser, but not if incidental to the renting or  
9 leasing of real estate,

10 c. a sale of tangible goods and products within this  
11 state if, simultaneously with the sale, the vendor  
12 issues an export bill of lading, or other  
13 documentation that the point of delivery of such goods  
14 for use and consumption is in a foreign country and  
15 not within the territorial confines of the United  
16 States. If the vendor is not in the business of  
17 shipping the tangible goods and products that are  
18 purchased from the vendor, the buyer or purchaser of  
19 the tangible goods and products is responsible for  
20 providing an export bill of lading or other  
21 documentation to the vendor from whom the tangible  
22 goods and products were purchased showing that the  
23 point of delivery of such goods for use and  
24

1 consumption is a foreign country and not within the  
2 territorial confines of the United States, or

3 d. a sales of any carrier access services, right of  
4 access services, telecommunications services to be  
5 resold, or telecommunications used in the subsequent  
6 provision of, use as a component part of, or  
7 integrated into, end-to-end telecommunications  
8 service;

9 ~~24.~~ 25. "Tangible personal property" means personal property  
10 that can be seen, weighed, measured, felt, or touched or that is in  
11 any other manner perceptible to the senses. "Tangible personal  
12 property" includes electricity, water, gas, steam and prewritten  
13 computer software. This definition shall be applicable only for  
14 purposes of the Oklahoma Sales Tax Code;

15 ~~25.~~ 26. "Taxpayer" means any person liable to pay a tax imposed  
16 by the Oklahoma Sales Tax Code;

17 ~~26.~~ 27. "Tax period" or "taxable period" means the calendar  
18 period or the taxpayer's fiscal period for which a taxpayer has  
19 obtained a permit from the Tax Commission to use a fiscal period in  
20 lieu of a calendar period;

21 ~~27.~~ 28. "Tax remitter" means any person required to collect,  
22 report, or remit the tax imposed by the Oklahoma Sales Tax Code. A  
23 tax remitter who fails, for any reason, to collect, report, or remit  
24 the tax shall be considered a taxpayer for purposes of assessment,

1 collection, and enforcement of the tax imposed by the Oklahoma Sales  
2 Tax Code; and

3 ~~28.~~ 29. "Vendor" means:

4 a. any person making sales of tangible personal property  
5 or services in this state, the gross receipts or gross  
6 proceeds from which are taxed by the Oklahoma Sales  
7 Tax Code,

8 b. any person maintaining a place of business in this  
9 state and making sales of tangible personal property  
10 or services, whether at the place of business or  
11 elsewhere, to persons within this state, the gross  
12 receipts or gross proceeds from which are taxed by the  
13 Oklahoma Sales Tax Code,

14 c. any person who solicits business by employees,  
15 independent contractors, agents, or other  
16 representatives in this state, and thereby makes sales  
17 to persons within this state of tangible personal  
18 property or services, the gross receipts or gross  
19 proceeds from which are taxed by the Oklahoma Sales  
20 Tax Code, or

21 d. any person, pursuant to an agreement with the person  
22 with an ownership interest in or title to tangible  
23 personal property, who has been entrusted with the  
24 possession of any such property and has the power to

1 designate who is to obtain title, to physically  
2 transfer possession of, or otherwise make sales of the  
3 property.

4 SECTION 2. AMENDATORY 68 O.S. 2021, Section 1356, as  
5 last amended by Section 1, Chapter 394, O.S.L. 2022 (68 O.S. Supp.  
6 2022, Section 1356), is amended to read as follows:

7 Section 1356. Exemptions - Governmental and nonprofit entities.

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

10 1. Sale of tangible personal property or services to the United  
11 States government or to the State of Oklahoma, any political  
12 subdivision of this state or any agency of a political subdivision  
13 of this state; provided, all sales to contractors in connection with  
14 the performance of any contract with the United States government,  
15 State of Oklahoma or any of its political subdivisions shall not be  
16 exempted from the tax levied by Section 1350 et seq. of this title,  
17 except as hereinafter provided;

18 2. Sales of property to agents appointed by or under contract  
19 with agencies or instrumentalities of the United States government  
20 if ownership and possession of such property transfers immediately  
21 to the United States government;

22 3. Sales of property to agents appointed by or under contract  
23 with a political subdivision of this state if the sale of such  
24 property is associated with the development of a qualified federal

1 facility, as provided in the Oklahoma Federal Facilities Development  
2 Act, and if ownership and possession of such property transfers  
3 immediately to the political subdivision or the state;

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

15 5. Sale of food in cafeterias or lunchrooms of elementary  
16 schools, high schools, colleges or universities which are operated  
17 primarily for teachers and pupils and are not operated primarily for  
18 the public or for profit;

19 6. Dues paid to fraternal, religious, civic, charitable or  
20 educational societies or organizations by regular members thereof,  
21 provided, such societies or organizations operate under what is  
22 commonly termed the lodge plan or system, and provided such  
23 societies or organizations do not operate for a profit which inures  
24 to the benefit of any individual member or members thereof to the



1 exclusion of other members and dues paid monthly or annually to  
2 privately owned scientific and educational libraries by members  
3 sharing the use of services rendered by such libraries with students  
4 interested in the study of geology, petroleum engineering or related  
5 subjects;

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

17 8. The amount of proceeds received from the sale of admission  
18 tickets which is separately stated on the ticket of admission for  
19 the repayment of money borrowed by any accredited state-supported  
20 college or university or any public trust of which a county in this  
21 state is the beneficiary, for the purpose of constructing or  
22 enlarging any facility to be used for the staging of an athletic  
23 event, a theatrical production, or any other form of entertainment,  
24 edification or cultural cultivation to which entry is gained with a

1 paid admission ticket. Such facilities include, but are not limited  
2 to, athletic fields, athletic stadiums, field houses, amphitheaters  
3 and theaters. To be eligible for this sales tax exemption, the  
4 amount separately stated on the admission ticket shall be a  
5 surcharge which is imposed, collected and used for the sole purpose  
6 of servicing or aiding in the servicing of debt incurred by the  
7 college or university to effect the capital improvements  
8 hereinbefore described;

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

12 10. Sale of tangible personal property or services to any  
13 county, municipality, rural water district, public school district,  
14 city-county library system, the institutions of The Oklahoma State  
15 System of Higher Education, the Grand River Dam Authority, the  
16 Northeast Oklahoma Public Facilities Authority, the Oklahoma  
17 Municipal Power Authority, City of Tulsa-Rogers County Port  
18 Authority, Muskogee City-County Port Authority, the Oklahoma  
19 Department of Veterans Affairs, the Broken Bow Economic Development  
20 Authority, Ardmore Development Authority, Durant Industrial  
21 Authority, Oklahoma Ordnance Works Authority, Central Oklahoma  
22 Master Conservancy District, Arbuckle Master Conservancy District,  
23 Fort Cobb Master Conservancy District, Foss Reservoir Master  
24 Conservancy District, Mountain Park Master Conservancy District,

1 Waurika Lake Master Conservancy District and the Office of  
2 Management and Enterprise Services only when carrying out a public  
3 construction contract on behalf of the Oklahoma Department of  
4 Veterans Affairs, and effective July 1, 2022, the University  
5 Hospitals Trust, or to any person with whom any of the above-named  
6 subdivisions or agencies of this state has duly entered into a  
7 public contract pursuant to law, necessary for carrying out such  
8 public contract or to any subcontractor to such a public contract.  
9 Any person making purchases on behalf of such subdivision or agency  
10 of this state shall certify, in writing, on the copy of the invoice  
11 or sales ticket to be retained by the vendor that the purchases are  
12 made for and on behalf of such subdivision or agency of this state  
13 and set out the name of such public subdivision or agency. Any  
14 person who wrongfully or erroneously certifies that purchases are  
15 for any of the above-named subdivisions or agencies of this state or  
16 who otherwise violates this section shall be guilty of a misdemeanor  
17 and upon conviction thereof shall be fined an amount equal to double  
18 the amount of sales tax involved or incarcerated for not more than  
19 sixty (60) days or both;

20 11. Sales of tangible personal property or services to private  
21 institutions of higher education and private elementary and  
22 secondary institutions of education accredited by the State  
23 Department of Education or registered by the State Board of  
24 Education for purposes of participating in federal programs or

1 accredited as defined by the Oklahoma State Regents for Higher  
2 Education which are exempt from taxation pursuant to the provisions  
3 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) including  
4 materials, supplies and equipment used in the construction and  
5 improvement of buildings and other structures owned by the  
6 institutions and operated for educational purposes.

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

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

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

- 21 (1) a public school,
- 22 (2) a private school offering instruction for grade  
23 levels kindergarten through twelfth grade,
- 24 (3) a public school district,

- 1 (4) a public or private school board,  
2 (5) a public or private school student group or  
3 organization,  
4 (6) a parent-teacher association or organization  
5 other than as specified in subparagraph b of this  
6 paragraph, or  
7 (7) public or private school personnel for purposes  
8 of raising funds for the benefit of a public or  
9 private school, public school district, public or  
10 private school board or public or private school  
11 student group or organization, or

- 12 b. Sales of tangible personal property made by or to  
13 nonprofit parent-teacher associations or organizations  
14 exempt from taxation pursuant to the provisions of the  
15 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),  
16 nonprofit local public or private school foundations  
17 which solicit money or property in the name of any  
18 public or private school or public school district.

19 The exemption provided by this paragraph for sales made by a  
20 public or private school shall be limited to those public or private  
21 schools accredited by the State Department of Education or  
22 registered by the State Board of Education for purposes of  
23 participating in federal programs. Sale of tangible personal  
24

1 property in this paragraph shall include sale of admission tickets  
2 and concessions at athletic events;

3 14. Sales of tangible personal property by:

- 4 a. local 4-H clubs,
- 5 b. county, regional or state 4-H councils,
- 6 c. county, regional or state 4-H committees,
- 7 d. 4-H leader associations,
- 8 e. county, regional or state 4-H foundations, and
- 9 f. authorized 4-H camps and training centers.

10 The exemption provided by this paragraph shall be limited to  
11 sales for the purpose of raising funds for the benefit of such  
12 organizations. Sale of tangible personal property exempted by this  
13 paragraph shall include sale of admission tickets;

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

18 16. Sales of tangible personal property or services to any  
19 person with whom the Oklahoma Tourism and Recreation Department has  
20 entered into a public contract and which is necessary for carrying  
21 out such contract to assist the Department in the development and  
22 production of advertising, promotion, publicity and public relations  
23 programs;

24

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

14        18. Complimentary or free tickets for admission to places of  
15 amusement, sports, entertainment, exhibition, display or other  
16 recreational events or activities which are issued through a box  
17 office or other entity which is operated by a state institution of  
18 higher education with institutional employees or by a municipality  
19 with municipal employees;

20        19. The first Fifteen Thousand Dollars (\$15,000.00) each year  
21 from sales of tangible personal property by fire departments  
22 organized pursuant to Titles 11, 18, or 19 of the Oklahoma Statutes  
23 for the purposes of raising funds for the benefit of the fire  
24 department. Fire departments selling tangible personal property for

1 the purposes of raising funds shall be limited to no more than six  
2 (6) days each year to raise such funds in order to receive the  
3 exemption granted by this paragraph;

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

9 21. Sales of tangible personal property or services to any  
10 organization, which takes court-adjudicated juveniles for purposes  
11 of rehabilitation, and which is exempt from taxation pursuant to the  
12 provisions of the Internal Revenue Code, 26 U.S.C., Section  
13 501(c) (3), provided that at least fifty percent (50%) of the  
14 juveniles served by such organization are court adjudicated and the  
15 organization receives state funds in an amount less than ten percent  
16 (10%) of the annual budget of the organization;

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

- 18 a. any health center as defined in Section 254b of Title  
19 42 of the United States Code,
- 20 b. any clinic receiving disbursements of state monies  
21 from the Indigent Health Care Revolving Fund pursuant  
22 to the provisions of Section 66 of Title 56 of the  
23 Oklahoma Statutes,

24



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

3 (1) provides primary care services at no cost to the  
4 recipient, and

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

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

10 23. Dues or fees including free or complimentary dues or fees  
11 which have a value equivalent to the charge that could have  
12 otherwise been made, to YMCAs, YWCAs or municipally-owned recreation  
13 centers for the use of facilities and programs;

14 24. The first Fifteen Thousand Dollars (\$15,000.00) each year  
15 from sales of tangible personal property or services to or by a  
16 cultural organization established to sponsor and promote  
17 educational, charitable and cultural events for disadvantaged  
18 children, and which organization is exempt from taxation pursuant to  
19 the provisions of the Internal Revenue Code, 26 U.S.C., Section  
20 501(c)(3);

21 25. Sales of tangible personal property or services to museums  
22 or other entities which have been accredited by the American  
23 Association of Museums. Any person making purchases on behalf of  
24 any such museum or other entity shall certify, in writing, on the

1 copy of the invoice or sales ticket to be retained by the vendor  
2 that the purchases are made for and on behalf of such museum or  
3 other entity and set out the name of such museum or other entity.  
4 Any person who wrongfully or erroneously certifies that the  
5 purchases are for any such museum or other entity or who otherwise  
6 violates the provisions of this paragraph shall be deemed guilty of  
7 a misdemeanor and, upon conviction thereof, shall be fined an amount  
8 equal to double the amount of sales tax involved or incarcerated for  
9 not more than sixty (60) days, or by both such fine and  
10 incarceration;

11 26. Sales of tickets for admission by any museum accredited by  
12 the American Association of Museums. In order to be eligible for  
13 the exemption provided by this paragraph, an amount equivalent to  
14 the amount of the tax which would otherwise be required to be  
15 collected pursuant to the provisions of Section 1350 et seq. of this  
16 title shall be separately stated on the admission ticket and shall  
17 be collected and used for the sole purpose of servicing or aiding in  
18 the servicing of debt incurred by the museum to effect the  
19 construction, enlarging or renovation of any facility to be used for  
20 entertainment, edification or cultural cultivation to which entry is  
21 gained with a paid admission ticket;

22 27. Sales of tangible personal property or services occurring  
23 on or after June 1, 1995, to children's homes which are supported or  
24

1 sponsored by one or more churches, members of which serve as  
2 trustees of the home;

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

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

9 30. a. Until July 1, 2022, transfer of tangible personal  
10 property made pursuant to Section 3226 of Title 63 of  
11 the Oklahoma Statutes by the University Hospitals  
12 Trust, and

13 b. Effective July 1, 2022, transfer of tangible personal  
14 property or services to or by:

15 (1) the University Hospitals Trust created pursuant  
16 to Section 3224 of Title 63 of the Oklahoma  
17 Statutes, or

18 (2) nonprofit entities which are exempt from taxation  
19 pursuant to the provisions of the Internal  
20 Revenue Code of the United States, 26 U.S.C.,  
21 Section 501(c)(3), which have entered into a  
22 joint operating agreement with the University  
23 Hospitals Trust;

24

1        31. Sales of tangible personal property or services to a  
2 municipality, county or school district pursuant to a lease or  
3 lease-purchase agreement executed between the vendor and a  
4 municipality, county or school district. A copy of the lease or  
5 lease-purchase agreement shall be retained by the vendor;

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

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

- 16            a. the destruction in whole or in part of the satellite
- 17                    or launch vehicle,
- 18            b. the failure of a launch to occur or be successful, or
- 19            c. the absence of any transfer or title to, or possession
- 20                    of, the satellite or launch vehicle after launch;

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

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

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

24

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

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

24

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

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

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

18       42. Sales of tangible personal property or services by an  
19 organization which is exempt from taxation pursuant to the  
20 provisions of the Internal Revenue Code, 26 U.S.C., Section  
21 501(c) (3), in the course of conducting a national championship  
22 sports event, but only if all or a portion of the payment in  
23 exchange therefor would qualify as the receipt of a qualified  
24 sponsorship payment described in Internal Revenue Code, 26 U.S.C.,

1 Section 513(i). Sales exempted pursuant to this paragraph shall be  
2 exempt from all Oklahoma sales, use, excise and gross receipts  
3 taxes;

4 43. Sales of tangible personal property or services to or by an  
5 organization which:

6 a. is exempt from taxation pursuant to the provisions of  
7 the Internal Revenue Code, 26 U.S.C., Section  
8 501(c)(3),

9 b. is affiliated with a comprehensive university within  
10 The Oklahoma State System of Higher Education, and

11 c. has been organized primarily for the purpose of  
12 providing education and teacher training and  
13 conducting events relating to robotics;

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

20 45. Sales of tickets for admission to a collegiate athletic  
21 event that is held in a facility owned or operated by a municipality  
22 or a public trust of which the municipality is the sole beneficiary  
23 and that actually determines or is part of a tournament or  
24



1 tournament process for determining a conference tournament  
2 championship, a conference championship, or a national championship;

3 46. Sales of tangible personal property or services to or by an  
4 organization which is exempt from taxation pursuant to the  
5 provisions of the Internal Revenue Code, 26 U.S.C., Section  
6 501(c)(3) and is operating the Oklahoma City National Memorial and  
7 Museum, an affiliate of the National Park System;

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

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

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

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

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

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

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

1 purchaser. The pro rata refund amount shall be the only method to  
2 recover sales taxes paid during the preceding fiscal year and no  
3 balance of any sales taxes paid on a pro rata basis shall be the  
4 subject of any subsequent refund claim pursuant to this paragraph;

5 52. Effective July 1, 2006, sales of tangible personal property  
6 or services to any organization which assists, trains, educates, and  
7 provides housing for physically and mentally handicapped persons and  
8 which is exempt from taxation pursuant to the provisions of the  
9 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and that  
10 receives at least eighty-five percent (85%) of its annual budget  
11 from state or federal funds. In order to receive the benefit of the  
12 exemption authorized by this paragraph, the taxpayer shall be  
13 required to make payment of the applicable sales tax at the time of  
14 sale to the vendor in the manner otherwise required by law.  
15 Notwithstanding any other provision of the Oklahoma Uniform Tax  
16 Procedure Code to the contrary, the taxpayer shall be authorized to  
17 file a claim for refund of sales taxes paid that qualify for the  
18 exemption authorized by this paragraph for a period of one (1) year  
19 after the date of the sale transaction. The taxpayer shall be  
20 required to provide documentation as may be prescribed by the  
21 Oklahoma Tax Commission in support of the refund claim. The total  
22 amount of sales tax qualifying for exempt treatment pursuant to this  
23 paragraph shall not exceed One Hundred Seventy-five Thousand Dollars  
24 (\$175,000.00) each fiscal year. Claims for refund shall be

1 processed in the order in which such claims are received by the  
2 Oklahoma Tax Commission. If a claim otherwise timely filed exceeds  
3 the total amount of refunds payable for a fiscal year, such claim  
4 shall be barred;

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

18 54. Sales of tangible personal property to a nonprofit  
19 organization, exempt from taxation pursuant to the provisions of the  
20 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), organized  
21 primarily for the purpose of providing services to homeless persons  
22 during the day and located in a metropolitan area with a population  
23 in excess of five hundred thousand (500,000) persons according to  
24 the latest Federal Decennial Census. The exemption authorized by

1 this paragraph shall be applicable to sales of tangible personal  
2 property to a qualified entity occurring on or after January 1,  
3 2005;

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

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

14 57. Sales of tangible personal property or services to an  
15 organization which:

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

19 b. is part of a network of community-based, autonomous  
20 member organizations that meets the following  
21 criteria:

22 (1) serves people with workplace disadvantages and  
23 disabilities by providing job training and  
24

1 employment services, as well as job placement  
2 opportunities and post-employment support,

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

5 (3) collects donated clothing and household goods to  
6 sell in retail stores and provides contract labor  
7 services to business and government, and

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

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

1 the National Hockey League is a participant, which is held in a  
2 facility owned or operated by a municipality, a county or a public  
3 trust of which a municipality or a county is the sole beneficiary;

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

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

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



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

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

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

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

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

14       66. Sales of tangible personal property or services to any  
15 person with whom a church has duly entered into a construction  
16 contract, necessary for carrying out such contract or to any  
17 subcontractor to such a construction contract;

18       67. Sales of tangible personal property or services used  
19 exclusively for charitable or educational purposes, to or by an  
20 organization which:

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

1           b.    has filed a Not-for-Profit Certificate of  
2                    Incorporation in this state, and

3           c.    is organized for the purpose of:

4                   (1)   providing training and education to  
5                            developmentally disabled individuals,

6                   (2)   educating the community about the rights,  
7                            abilities and strengths of developmentally  
8                            disabled individuals, and

9                   (3)   promoting unity among developmentally disabled  
10                           individuals in their community and geographic  
11                           area;

12           68.   Sales of tangible personal property or services to any  
13 organization which is a shelter for abused, neglected, or abandoned  
14 children and which is exempt from taxation pursuant to the  
15 provisions of the Internal Revenue Code, 26 U.S.C., Section  
16 501(c) (3); provided, until July 1, 2008, such exemption shall apply  
17 only to eligible shelters for children from birth to age twelve (12)  
18 and after July 1, 2008, such exemption shall apply to eligible  
19 shelters for children from birth to age eighteen (18);

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

1 a. possesses a 3-star rating from the Department of Human  
2 Services Reaching for the Stars Program or a national  
3 accreditation, and

4 b. allows on-site universal prekindergarten education to  
5 be provided to four-year-old children through a  
6 contractual agreement with any public school or school  
7 district.

8 For the purposes of this paragraph, sales made to any person,  
9 firm, agency or entity that has entered previously into a  
10 contractual relationship with a child care center for construction  
11 and improvement of buildings and other structures owned by the child  
12 care center and operated for educational purposes shall be  
13 considered sales made to a child care center. Any such person,  
14 firm, agency or entity making purchases on behalf of a child care  
15 center shall certify, in writing, on the copy of the invoice or  
16 sales ticket the nature of the purchase. Any such person, or person  
17 acting on behalf of a firm, agency or entity making purchases on  
18 behalf of a child care center in violation of this paragraph shall  
19 be guilty of a misdemeanor and upon conviction thereof shall be  
20 fined an amount equal to double the amount of sales tax involved or  
21 incarcerated for not more than sixty (60) days or both;

22 70. a. Sales of tangible personal property to a service  
23 organization of mothers who have children who are  
24 serving or who have served in the military, which

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

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

1 taxes paid during such preceding calendar quarter.

2 The Tax Commission shall prescribe a form for purposes  
3 of making the application for refund.

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

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

17 72. Sales of tangible personal property or services for use  
18 solely on construction projects for organizations which are exempt  
19 from taxation pursuant to the provisions of the Internal Revenue  
20 Code, 26 U.S.C., Section 501(c)(3) and whose purpose is providing  
21 end-of-life care and access to hospice services to low-income  
22 individuals who live in a facility owned by the organization. The  
23 exemption provided by this paragraph applies to sales to the  
24 organization as well as to sales to any person with whom the

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

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

18 74. Sales of tangible personal property or services:

19 a. to a foundation which is exempt from taxation pursuant  
20 to the provisions of the Internal Revenue Code, 26  
21 U.S.C., Section 501(c)(3) and which raises tax-  
22 deductible contributions in support of a wide range of  
23 firearms-related public interest activities of the  
24 National Rifle Association of America and other

1 organizations that defend and foster Second Amendment  
2 rights, and

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

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

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



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

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

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

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

- 18            a. exempt from taxation pursuant to the provisions of the  
19                    Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
- 20            b. verified with a letter from the MIT Fab Foundation as  
21                    an official member of the Fab Lab Network in  
22                    compliance with the Fab Charter, and
- 23            c. able to provide documentation that its primary and  
24                    principal purpose is to provide community access to

1 advanced 21st century manufacturing and digital  
2 fabrication tools for science, technology,  
3 engineering, art and math (STEAM) learning skills,  
4 developing inventions, creating and sustaining  
5 businesses and producing personalized products;

6 81. Effective November 1, 2021, sales of tangible personal  
7 property or services used solely for construction and remodeling  
8 projects to an organization which is exempt from taxation pursuant  
9 to the provisions of the Internal Revenue Code, 26 U.S.C., Section  
10 501(c)(3), and which meets the following requirements:

- 11 a. its primary purpose is to construct or remodel and  
12 sell affordable housing and provide homeownership  
13 education to residents of Oklahoma that have an income  
14 that is below one hundred percent (100%) of the Family  
15 Median Income guidelines as defined by the U.S.  
16 Department of Housing and Urban Development,
- 17 b. it conducts its activities in a manner that serves  
18 public or charitable purposes, rather than commercial  
19 purposes,
- 20 c. it receives funding and revenue and charges fees in a  
21 manner that does not incentivize it or its employees  
22 to act other than in the best interests of its  
23 clients, and  
24

1           d.    it compensates its employees in a manner that does not  
2                    incentivize employees to act other than in the best  
3                    interests of its clients;

4           82.   Effective November 1, 2021, sales of tangible personal  
5 property or services to a nonprofit entity, organized pursuant to  
6 Oklahoma law before January 1, 2022, exempt from federal income  
7 taxation pursuant to Section 501(c) of the Internal Revenue Code of  
8 1986, as amended, the principal functions of which are to provide  
9 assistance to natural persons following a disaster, with program  
10 emphasis on repair or restoration to single-family residential  
11 dwellings or the construction of a replacement single-family  
12 residential dwelling. As used in this paragraph, "disaster" means  
13 damage to property with or without accompanying injury to persons  
14 from heavy rain, high winds, tornadic winds, drought, wildfire,  
15 snow, ice, geologic disturbances, explosions, chemical accidents or  
16 spills and other events causing damage to property on a large scale.  
17 For purposes of this paragraph, an entity that expended at least  
18 seventy-five percent (75%) of its funds on the restoration to  
19 single-family housing following a disaster including related general  
20 and administrative expenses, shall be eligible for the exemption  
21 authorized by this paragraph;

22           83.   Effective November 1, 2021, through December 31, 2024,  
23 sales of tangible personal property or services to a museum that:  
24

- a. operates as a part of an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
- b. is not accredited by the American Alliance of Museums, and
- c. operates on an annual budget of less than One Million Dollars (\$1,000,000.00);

84. Until July 1, 2022, sales of tangible personal property or services for use in a clinical practice or medical facility operated by an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code of the United States, 26 U.S.C., Section 501(c)(3), and which has entered into a joint operating agreement with the University Hospitals Trust created pursuant to Section 3224 of Title 63 of the Oklahoma Statutes. The exemption provided by this paragraph shall be limited to the purchase of tangible personal property and services for use in clinical practices or medical facilities acquired or leased by the organization from the University Hospitals Authority, University Hospitals Trust, or the University of Oklahoma on or after June 1, 2021; ~~and~~

85. Sales of tangible personal property or services to a nonprofit entity, organized pursuant to Oklahoma law before January 1, 2019, exempt from federal income taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, the

1 principal functions of which are to provide assistance to natural  
2 persons following a disaster, with program emphasis on repair or  
3 restoration to single-family residential dwellings or the  
4 construction of a replacement single-family residential dwelling.  
5 For purposes of this paragraph, an entity operated exclusively for  
6 charitable and educational purposes through the coordination of  
7 volunteers for the disaster recovery of homes (as derived from Part  
8 III, Statement of Program Services, of Internal Revenue Service Form  
9 990) and offers its services free of charge to disaster survivors  
10 statewide who are low income with no or limited means of recovery on  
11 their own for the restoration to single-family housing following a  
12 disaster including related general and administrative expenses,  
13 shall be eligible for the exemption authorized by this paragraph.  
14 The exemption provided by this paragraph shall only be applicable to  
15 sales made on or after the effective date of this act. As used in  
16 this paragraph, "disaster" means damage to property with or without  
17 accompanying injury to persons from heavy rain, high winds, tornadic  
18 winds, drought, wildfire, snow, ice, geologic disturbances,  
19 explosions, chemical accidents or spills and other events causing  
20 damage to property on a large scale; and

21 86. Occasional sales.

22 SECTION 3. This act shall become effective July 1, 2023.

23 SECTION 4. It being immediately necessary for the preservation  
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

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