

1 **SENATE FLOOR VERSION**

2 February 22, 2023

3 SENATE BILL NO. 310

By: Pugh and Prieto

4  
5  
6 [ sales tax exemption - governmental and nonprofit  
7 entities - effective date ]  
8

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

10 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1356, as  
11 last amended by Section 1, Chapter 394, O.S.L. 2022 (68 O.S. Supp.  
12 2022, Section 1356), is amended to read as follows:

13 Section 1356. Exemptions - Governmental and nonprofit entities.

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

16 1. Sale of tangible personal property or services to the United  
17 States government or to ~~the State of Oklahoma~~ this state, any  
18 political subdivision of this state, or any agency of a political  
19 subdivision of this state; provided, all sales to contractors in  
20 connection with the performance of any contract with the United  
21 States government, ~~State of Oklahoma~~ this state, or any of its  
22 political subdivisions shall not be exempted from the tax levied by  
23 Section 1350 et seq. of this title, except as hereinafter provided;  
24

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  
13 related 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 the U.S.A., and Camp Fire  
20 ~~USA~~;

21           10. Sale of tangible personal property or services to any  
22 county, municipality, rural water district, public school district,  
23 city-county library system, the institutions of The Oklahoma State  
24 System of Higher Education, the Grand River Dam Authority, the

1 Northeast Oklahoma Public Facilities Authority, the Oklahoma  
2 Municipal Power Authority, City of Tulsa-Rogers County Port  
3 Authority, Muskogee City-County Port Authority, the Oklahoma  
4 Department of Veterans Affairs, the Broken Bow Economic Development  
5 Authority, Ardmore Development Authority, Durant Industrial  
6 Authority, Oklahoma Ordnance Works Authority, Central Oklahoma  
7 Master Conservancy District, Arbuckle Master Conservancy District,  
8 Fort Cobb Master Conservancy District, Foss Reservoir Master  
9 Conservancy District, Mountain Park Master Conservancy District,  
10 Waurika Lake Master Conservancy District, and the Office of  
11 Management and Enterprise Services only when carrying out a public  
12 construction contract on behalf of the Oklahoma Department of  
13 Veterans Affairs, and effective July 1, 2022, the University  
14 Hospitals Trust, or to any person with whom any of the above-named  
15 subdivisions or agencies of this state has duly entered into a  
16 public contract pursuant to law, necessary for carrying out such  
17 public contract or to any subcontractor to such a public contract.  
18 Any person making purchases on behalf of such subdivision or agency  
19 of this state shall certify, in writing, on the copy of the invoice  
20 or sales ticket to be retained by the vendor that the purchases are  
21 made for and on behalf of such subdivision or agency of this state  
22 and set out the name of such public subdivision or agency. Any  
23 person who wrongfully or erroneously certifies that purchases are  
24 for any of the above-named subdivisions or agencies of this state or

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

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

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

21 12. Tuition and educational fees paid to private institutions  
22 of higher education and private elementary and secondary  
23 institutions of education accredited by the State Department of  
24 Education or registered by the State Board of Education for purposes

1 of participating in federal programs or accredited as defined by the  
2 Oklahoma State Regents for Higher Education which are exempt from  
3 taxation pursuant to the provisions of the Internal Revenue Code, 26  
4 U.S.C., Section 501(c) (3);

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

6 (1) a public school,

7 (2) a private school offering instruction for grade  
8 levels kindergarten through twelfth grade,

9 (3) a public school district,

10 (4) a public or private school board,

11 (5) a public or private school student group or  
12 organization,

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

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

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

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

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

11 14. Sales of tangible personal property by:

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

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

22 15. The first Seventy-five Thousand Dollars (\$75,000.00) each  
23 year from sale of tickets and concessions at athletic events by each  
24



1 organization exempt from taxation pursuant to the provisions of the  
2 Internal Revenue Code, 26 U.S.C., Section 501(c)(4);

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

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

22 18. Complimentary or free tickets for admission to places of  
23 amusement, sports, entertainment, exhibition, display, or other  
24 recreational events or activities which are issued through a box

1 office or other entity which is operated by a state institution of  
2 higher education with institutional employees or by a municipality  
3 with municipal employees;

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

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

17 21. Sales of tangible personal property or services to any  
18 organization, which takes court-adjudicated juveniles for purposes  
19 of rehabilitation, and which is exempt from taxation pursuant to the  
20 provisions of the Internal Revenue Code, 26 U.S.C., Section  
21 501(c) (3), provided that at least fifty percent (50%) of the  
22 juveniles served by such organization are court adjudicated and the  
23 organization receives state funds in an amount less than ten percent  
24 (10%) of the annual budget of the organization;

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

2 a. any health center as defined in Section 254b of Title  
3 42 of the United States Code,

4 b. any clinic receiving disbursements of state monies  
5 from the Indigent Health Care Revolving Fund pursuant  
6 to the provisions of Section 66 of Title 56 of the  
7 Oklahoma Statutes,

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

10 (1) provides primary care services at no cost to the  
11 recipient, and

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

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

17 23. Dues or fees including free or complimentary dues or fees  
18 which have a value equivalent to the charge that could have  
19 otherwise been made, to YMCAs, YWCAs, or municipally-owned  
20 recreation centers for the use of facilities and 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~~ Alliance of Museums. Any person making purchases on  
7 behalf of any such museum or other entity shall certify, in writing,  
8 on the copy of the invoice or sales ticket to be retained by the  
9 vendor that the purchases are made for and on behalf of such museum  
10 or 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~~ Alliance of Museums. In order to be  
20 eligible for the exemption provided by this paragraph, an amount  
21 equivalent to the amount of the tax which would otherwise be  
22 required to be collected pursuant to the provisions of Section 1350  
23 et seq. of this title shall be separately stated on the admission  
24 ticket and shall be collected and used for the sole purpose of

1 servicing or aiding in the servicing of debt incurred by the museum  
2 to effect the construction, enlarging, or renovation of any facility  
3 to be used for entertainment, edification, or cultural cultivation  
4 to which entry is 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. a. Until July 1, 2022, transfer of tangible personal  
16 property made pursuant to Section 3226 of Title 63 of  
17 the Oklahoma Statutes by the University Hospitals  
18 Trust, and

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

21 (1) the University Hospitals Trust created pursuant  
22 to Section 3224 of Title 63 of the Oklahoma  
23 Statutes, or  
24

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

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

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

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

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

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

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

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

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

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

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

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

24



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

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

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

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

23       42. Sales of tangible personal property or services by an  
24 organization which is exempt from taxation pursuant to the

1 provisions of the Internal Revenue Code, 26 U.S.C., Section  
2 501(c)(3), in the course of conducting a national championship  
3 sports event, but only if all or a portion of the payment in  
4 exchange therefor would qualify as the receipt of a qualified  
5 sponsorship payment described in Internal Revenue Code, 26 U.S.C.,  
6 Section 513(i). Sales exempted pursuant to this paragraph shall be  
7 exempt from all Oklahoma sales, use, excise, and gross receipts  
8 taxes;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

24

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

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

24

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

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

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

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

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

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

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

23

24

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

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

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

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

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

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

1 entitled to make application for a refund based upon  
2 the exempt treatment authorized by this paragraph may  
3 file an application for refund of the state sales  
4 taxes paid during such preceding calendar quarter.

5 The Tax Commission shall prescribe a form for purposes  
6 of making the application for refund.

7 c. A purchaser who applies for a refund pursuant to this  
8 paragraph shall certify that the items were actually  
9 sent to military personnel overseas in a combat zone.  
10 Any purchaser that applies for a refund for the  
11 purchase of items that are not authorized for  
12 exemption under this paragraph shall be subject to a  
13 penalty in the amount of Five Hundred Dollars  
14 (\$500.00);

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

20 72. Sales of tangible personal property or services for use  
21 solely on construction projects for organizations which are exempt  
22 from taxation pursuant to the provisions of the Internal Revenue  
23 Code, 26 U.S.C., Section 501(c)(3) and whose purpose is providing  
24 end-of-life care and access to hospice services to low-income



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

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

21 74. Sales of tangible personal property or services:

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

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

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

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

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

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

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

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

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

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

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

22 b. verified with a letter from the MIT Fab Foundation as  
23 an official member of the Fab Lab Network in  
24 compliance with the Fab Charter, and

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

8 81. Effective November 1, 2021, sales of tangible personal  
9 property or services used solely for construction and remodeling  
10 projects to an organization which is exempt from taxation pursuant  
11 to the provisions of the Internal Revenue Code, 26 U.S.C., Section  
12 501(c)(3), and which meets the following requirements:

13 a. its primary purpose is to construct or remodel and  
14 sell affordable housing and provide homeownership  
15 education to residents of Oklahoma that have an income  
16 that is below one hundred percent (100%) of the Family  
17 Median Income guidelines as defined by the U.S.

18 Department of Housing and Urban Development,

19 b. it conducts its activities in a manner that serves  
20 public or charitable purposes, rather than commercial  
21 purposes,

22 c. it receives funding and revenue and charges fees in a  
23 manner that does not incentivize it or its employees  
24

1 to act other than in the best interests of its  
2 clients, and

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

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

24

1 83. Effective November 1, 2021, through December 31, ~~2024~~ 2027,  
2 sales of tangible personal property or services to a museum that:

3 a. operates as a part of an organization which is exempt  
4 from taxation pursuant to the provisions of the  
5 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),  
6 and

7 b. is not accredited by the American Alliance of Museums,  
8 and

9 ~~c. operates on an annual budget of less than One Million~~  
10 ~~Dollars (\$1,000,000.00);~~

11 84. Until July 1, 2022, sales of tangible personal property or  
12 services for use in a clinical practice or medical facility operated  
13 by an organization which is exempt from taxation pursuant to the  
14 provisions of the Internal Revenue Code of the United States, 26  
15 U.S.C., Section 501(c)(3), and which has entered into a joint  
16 operating agreement with the University Hospitals Trust created  
17 pursuant to Section 3224 of Title 63 of the Oklahoma Statutes. The  
18 exemption provided by this paragraph shall be limited to the  
19 purchase of tangible personal property and services for use in  
20 clinical practices or medical facilities acquired or leased by the  
21 organization from the University Hospitals Authority, University  
22 Hospitals Trust, or the University of Oklahoma on or after June 1,  
23 2021; and  
24

1           85. Sales of tangible personal property or services to a  
2 nonprofit entity, organized pursuant to Oklahoma law before January  
3 1, 2019, exempt from federal income taxation pursuant to Section  
4 501(c) of the Internal Revenue Code of 1986, as amended, the  
5 principal functions of which are to provide assistance to natural  
6 persons following a disaster, with program emphasis on repair or  
7 restoration to single-family residential dwellings or the  
8 construction of a replacement single-family residential dwelling.  
9 For purposes of this paragraph, an entity operated exclusively for  
10 charitable and educational purposes through the coordination of  
11 volunteers for the disaster recovery of homes (as derived from Part  
12 III, Statement of Program Services, of Internal Revenue Service Form  
13 990) and offers its services free of charge to disaster survivors  
14 statewide who are low income with no or limited means of recovery on  
15 their own for the restoration to single-family housing following a  
16 disaster including related general and administrative expenses,  
17 shall be eligible for the exemption authorized by this paragraph.  
18 The exemption provided by this paragraph shall only be applicable to  
19 sales made on or after ~~the effective date of this act~~ July 1, 2022.  
20 As used in this paragraph, "disaster" means damage to property with  
21 or without accompanying injury to persons from heavy rain, high  
22 winds, tornadic winds, drought, wildfire, snow, ice, geologic  
23 disturbances, explosions, chemical accidents or spills, and other  
24 events causing damage to property on a large scale.

1 SECTION 2. This act shall become effective November 1, 2023.

2 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
3 February 22, 2023 - DO PASS  
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