

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2316

By: Hilbert

4
5
6 AS INTRODUCED

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

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

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

18 Section 1352. Definitions.

19 As used in the Oklahoma Sales Tax Code:

20 1. "Bundled transaction" means the retail sale of two or more
21 products, except real property and services to real property, where
22 the products are otherwise distinct and identifiable, and the
23 products are sold for one nonitemized price. A "bundled
24 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, or
15 other physical place of business, whether owned
16 or operated by the vendor or any other person,
17 other than a common carrier acting in its
18 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.
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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. one or two sales of taxable items, other than an
24 amusement service, at retail during a twelve-month

1 period by a person who does not habitually engage, or
2 hold himself out as engaging, in the business of
3 selling taxable items at retail,

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

7 c. a transfer of all or substantially all the property
8 used by a person in the course of an activity if after
9 the transfer the real or ultimate ownership of the
10 property is substantially similar to that which
11 existed before the transfer,

12 d. the sale of not more than ten admissions for amusement
13 services during a twelve-month period by a person who
14 does not hold himself out as engaging, or does not
15 habitually engage, in providing amusement services, or

16 e. the sale of tangible personal property by an
17 individual if:

18 (1) the property was originally bought by the
19 individual or a member of the individual's family
20 for the personal use of the individual or the
21 individual's family,

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

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

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

9 f. within the meaning of subparagraph b of this
10 paragraph, separate division, branch, or identifiable
11 segment of a business exists if before its sale the
12 income and expenses attributable to the separate
13 division, branch, or segment could be separately
14 ascertained from the books of account or record,

15 g. within the meaning of subparagraph c of this
16 paragraph, the stockholders, bondholders, partners, or
17 other persons holding an interest in a corporation or
18 other entity have the real or ultimate ownership of
19 the property of the corporation or other entity,

20 h. this section does not apply to a rental or lease of a
21 taxable item,

22 i. subparagraph a of this paragraph does not apply to a
23 sale made by a person who holds a permit issued
24

1 pursuant to the provisions of the Oklahoma Sales Tax
2 Code,

3 j. a person who holds a permit issued under the Oklahoma
4 Sales Tax Code and makes a purchase from a person
5 entitled to claim the exemption provided by
6 subparagraph a of this paragraph shall accrue use tax
7 on the transaction and remit it to the Oklahoma Tax
8 Commission;

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

- 12 a. a "Drug Facts" panel, or
13 b. a statement of the "active ingredient(s)" with a list
14 of those ingredients contained in the compound,
15 substance or preparation;

16 ~~18.~~ 19. "Person" means any individual, company, partnership,
17 joint venture, joint agreement, association, mutual or otherwise,
18 limited liability company, corporation, estate, trust, business
19 trust, receiver or trustee appointed by any state or federal court
20 or otherwise, syndicate, this state, any county, city, municipality,
21 school district, any other political subdivision of the state, or
22 any group or combination acting as a unit, in the plural or singular
23 number;

1 ~~19.~~ 20. "Prescription" means an order, formula or recipe issued
2 in any form of oral, written, electronic, or other means of
3 transmission by a duly licensed "practitioner" as defined in Section
4 1357.6 of this title;

5 ~~20.~~ 21. "Prewritten computer software" means "computer
6 software", including prewritten upgrades, which is not designed and
7 developed by the author or other creator to the specifications of a
8 specific purchaser. The combining of two or more prewritten
9 computer software programs or prewritten portions thereof does not
10 cause the combination to be other than prewritten computer software.
11 Prewritten software includes software designed and developed by the
12 author or other creator to the specifications of a specific
13 purchaser when it is sold to a person other than the purchaser.
14 Where a person modifies or enhances computer software of which the
15 person is not the author or creator, the person shall be deemed to
16 be the author or creator only of such person's modifications or
17 enhancements. Prewritten software or a prewritten portion thereof
18 that is modified or enhanced to any degree, where such modification
19 or enhancement is designed and developed to the specifications of a
20 specific purchaser, remains prewritten software; provided, however,
21 that where there is a reasonable, separately stated charge or an
22 invoice or other statement of the price given to the purchaser for
23 such modification or enhancement, such modification or enhancement
24 shall not constitute prewritten computer software;

1 ~~21.~~ 22. "Repairman" means any person who performs any repair
2 service upon tangible personal property of the consumer, whether or
3 not the repairman, as a necessary and incidental part of performing
4 the service, incorporates tangible personal property belonging to or
5 purchased by the repairman into the tangible personal property being
6 repaired;

7 ~~22.~~ 23. "Sale" means the transfer of either title or possession
8 of tangible personal property for a valuable consideration
9 regardless of the manner, method, instrumentality, or device by
10 which the transfer is accomplished in this state, or other
11 transactions as provided by this paragraph, including but not
12 limited to:

- 13 a. the exchange, barter, lease, or rental of tangible
14 personal property resulting in the transfer of the
15 title to or possession of the property,
- 16 b. the disposition for consumption or use in any business
17 or by any person of all goods, wares, merchandise, or
18 property which has been purchased for resale,
19 manufacturing, or further processing,
- 20 c. the sale, gift, exchange, or other disposition of
21 admission, dues, or fees to clubs, places of
22 amusement, or recreational or athletic events or for
23 the privilege of having access to or the use of

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1 amusement, recreational, athletic or entertainment
2 facilities,

3 d. the furnishing or rendering of services taxable under
4 the Oklahoma Sales Tax Code, and

5 e. any use of motor fuel or diesel fuel by a supplier, as
6 defined in Section 500.3 of this title, upon which
7 sales tax has not previously been paid, for purposes
8 other than to propel motor vehicles over the public
9 highways of this state. Motor fuel or diesel fuel
10 purchased outside the state and used for purposes
11 other than to propel motor vehicles over the public
12 highways of this state shall not constitute a sale
13 within the meaning of this paragraph;

14 ~~23.~~ 24. "Sale for resale" means:

15 a. a sale of tangible personal property to any purchaser
16 who is purchasing tangible personal property for the
17 purpose of reselling it within the geographical limits
18 of the United States of America or its territories or
19 possessions, in the normal course of business either
20 in the form or condition in which it is purchased or
21 as an attachment to or integral part of other tangible
22 personal property,

23 b. a sale of tangible personal property to a purchaser
24 for the sole purpose of the renting or leasing, within

1 the geographical limits of the United States of
2 America or its territories or possessions, of the
3 tangible personal property to another person by the
4 purchaser, but not if incidental to the renting or
5 leasing of real estate,

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

1 provision of, use as a component part of, or
2 integrated into, end-to-end telecommunications
3 service;

4 ~~24.~~ 25. "Tangible personal property" means personal property
5 that can be seen, weighed, measured, felt, or touched or that is in
6 any other manner perceptible to the senses. "Tangible personal
7 property" includes electricity, water, gas, steam and prewritten
8 computer software. This definition shall be applicable only for
9 purposes of the Oklahoma Sales Tax Code;

10 ~~25.~~ 26. "Taxpayer" means any person liable to pay a tax imposed
11 by the Oklahoma Sales Tax Code;

12 ~~26.~~ 27. "Tax period" or "taxable period" means the calendar
13 period or the taxpayer's fiscal period for which a taxpayer has
14 obtained a permit from the Tax Commission to use a fiscal period in
15 lieu of a calendar period;

16 ~~27.~~ 28. "Tax remitter" means any person required to collect,
17 report, or remit the tax imposed by the Oklahoma Sales Tax Code. A
18 tax remitter who fails, for any reason, to collect, report, or remit
19 the tax shall be considered a taxpayer for purposes of assessment,
20 collection, and enforcement of the tax imposed by the Oklahoma Sales
21 Tax Code; and

22 ~~28.~~ 29. "Vendor" means:

- 23 a. any person making sales of tangible personal property
24 or services in this state, the gross receipts or gross

1 proceeds from which are taxed by the Oklahoma Sales
2 Tax Code,

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

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

16 d. any person, pursuant to an agreement with the person
17 with an ownership interest in or title to tangible
18 personal property, who has been entrusted with the
19 possession of any such property and has the power to
20 designate who is to obtain title, to physically
21 transfer possession of, or otherwise make sales of the
22 property.

1 SECTION 2. AMENDATORY 68 O.S. 2021, Section 1356, as
2 last amended by Section 1, Chapter 394, O.S.L. 2022 (68 O.S. Supp.
3 2022, Section 1356), is amended to read as follows:

4 Section 1356. Exemptions - Governmental and nonprofit entities.

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

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

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

19 3. Sales of property to agents appointed by or under contract
20 with a political subdivision of this state if the sale of such
21 property is associated with the development of a qualified federal
22 facility, as provided in the Oklahoma Federal Facilities Development
23 Act, and if ownership and possession of such property transfers
24 immediately to the political subdivision or the state;

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

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

16 6. Dues paid to fraternal, religious, civic, charitable or
17 educational societies or organizations by regular members thereof,
18 provided, such societies or organizations operate under what is
19 commonly termed the lodge plan or system, and provided such
20 societies or organizations do not operate for a profit which inures
21 to the benefit of any individual member or members thereof to the
22 exclusion of other members and dues paid monthly or annually to
23 privately owned scientific and educational libraries by members
24 sharing the use of services rendered by such libraries with students

1 interested in the study of geology, petroleum engineering or related
2 subjects;

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

14 8. The amount of proceeds received from the sale of admission
15 tickets which is separately stated on the ticket of admission for
16 the repayment of money borrowed by any accredited state-supported
17 college or university or any public trust of which a county in this
18 state is the beneficiary, for the purpose of constructing or
19 enlarging any facility to be used for the staging of an athletic
20 event, a theatrical production, or any other form of entertainment,
21 edification or cultural cultivation to which entry is gained with a
22 paid admission ticket. Such facilities include, but are not limited
23 to, athletic fields, athletic stadiums, field houses, amphitheaters
24 and theaters. To be eligible for this sales tax exemption, the

1 amount separately stated on the admission ticket shall be a
2 surcharge which is imposed, collected and used for the sole purpose
3 of servicing or aiding in the servicing of debt incurred by the
4 college or university to effect the capital improvements
5 hereinbefore described;

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

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

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

17 11. Sales of tangible personal property or services to private
18 institutions of higher education and private elementary and
19 secondary institutions of education accredited by the State
20 Department of Education or registered by the State Board of
21 Education for purposes of participating in federal programs or
22 accredited as defined by the Oklahoma State Regents for Higher
23 Education which are exempt from taxation pursuant to the provisions
24 of the Internal Revenue Code, 26 U.S.C., Section 501(c) (3) including

1 materials, supplies and equipment used in the construction and
2 improvement of buildings and other structures owned by the
3 institutions and operated for educational purposes.

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

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

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

- 18 (1) a public school,
- 19 (2) a private school offering instruction for grade
20 levels kindergarten through twelfth grade,
- 21 (3) a public school district,
- 22 (4) a public or private school board,
- 23 (5) a public or private school student group or
24 organization,

1 (6) a parent-teacher association or organization
2 other than as specified in subparagraph b of this
3 paragraph, or

4 (7) public or private school personnel for purposes
5 of raising funds for the benefit of a public or
6 private school, public school district, public or
7 private school board or public or private school
8 student group or organization, or

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

16 The exemption provided by this paragraph for sales made by a
17 public or private school shall be limited to those public or private
18 schools accredited by the State Department of Education or
19 registered by the State Board of Education for purposes of
20 participating in federal programs. Sale of tangible personal
21 property in this paragraph shall include sale of admission tickets
22 and concessions at athletic events;

23 14. Sales of tangible personal property by:

24 a. local 4-H clubs,

- b. county, regional or state 4-H councils,
- c. county, regional or state 4-H committees,
- d. 4-H leader associations,
- e. county, regional or state 4-H foundations, and
- f. authorized 4-H camps and training centers.

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

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

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

17. Sales of tangible personal property or services to fire departments organized pursuant to Section 592 of Title 18 of the Oklahoma Statutes which items are to be used for the purposes of the fire department. Any person making purchases on behalf of any such fire department shall certify, in writing, on the copy of the

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

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

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

23 20. Sales of tangible personal property or services to any Boys
24 & Girls Clubs of America affiliate in this state which is not

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

4 21. Sales of tangible personal property or services to any
5 organization, which takes court-adjudicated juveniles for purposes
6 of rehabilitation, and which is exempt from taxation pursuant to the
7 provisions of the Internal Revenue Code, 26 U.S.C., Section
8 501(c) (3), provided that at least fifty percent (50%) of the
9 juveniles served by such organization are court adjudicated and the
10 organization receives state funds in an amount less than ten percent
11 (10%) of the annual budget of the organization;

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

13 a. any health center as defined in Section 254b of Title
14 42 of the United States Code,

15 b. any clinic receiving disbursements of state monies
16 from the Indigent Health Care Revolving Fund pursuant
17 to the provisions of Section 66 of Title 56 of the
18 Oklahoma Statutes,

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

21 (1) provides primary care services at no cost to the
22 recipient, and

23

24

1 (2) is exempt from taxation pursuant to the
2 provisions of Section 501(c)(3) of the Internal
3 Revenue Code, 26 U.S.C., Section 501(c)(3), and
4 d. any community mental health center as defined in
5 Section 3-302 of Title 43A of the Oklahoma Statutes;

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

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

17 25. Sales of tangible personal property or services to museums
18 or other entities which have been accredited by the American
19 Association of Museums. Any person making purchases on behalf of
20 any such museum or other entity shall certify, in writing, on the
21 copy of the invoice or sales ticket to be retained by the vendor
22 that the purchases are made for and on behalf of such museum or
23 other entity and set out the name of such museum or other entity.
24 Any person who wrongfully or erroneously certifies that the

1 purchases are for any such museum or other entity or who otherwise
2 violates the provisions of this paragraph shall be deemed guilty of
3 a misdemeanor and, upon conviction thereof, shall be fined an amount
4 equal to double the amount of sales tax involved or incarcerated for
5 not more than sixty (60) days, or by both such fine and
6 incarceration;

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

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

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

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

4 30. a. Until July 1, 2022, transfer of tangible personal
5 property made pursuant to Section 3226 of Title 63 of
6 the Oklahoma Statutes by the University Hospitals
7 Trust, and

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

10 (1) the University Hospitals Trust created pursuant
11 to Section 3224 of Title 63 of the Oklahoma
12 Statutes, or

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

19 31. Sales of tangible personal property or services to a
20 municipality, county or school district pursuant to a lease or
21 lease-purchase agreement executed between the vendor and a
22 municipality, county or school district. A copy of the lease or
23 lease-purchase agreement shall be retained by the vendor;
24

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

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

- 11 a. the destruction in whole or in part of the satellite
- 12 or launch vehicle,
- 13 b. the failure of a launch to occur or be successful, or
- 14 c. the absence of any transfer or title to, or possession
- 15 of, the satellite or launch vehicle after launch;

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

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

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

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

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

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

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

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

24

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

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

12 42. Sales of tangible personal property or services by an
13 organization which is exempt from taxation pursuant to the
14 provisions of the Internal Revenue Code, 26 U.S.C., Section
15 501(c) (3), in the course of conducting a national championship
16 sports event, but only if all or a portion of the payment in
17 exchange therefor would qualify as the receipt of a qualified
18 sponsorship payment described in Internal Revenue Code, 26 U.S.C.,
19 Section 513(i). Sales exempted pursuant to this paragraph shall be
20 exempt from all Oklahoma sales, use, excise and gross receipts
21 taxes;

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

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

6 c. has been organized primarily for the purpose of
7 providing education and teacher training and
8 conducting events relating to robotics;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 54. Sales of tangible personal property to a nonprofit
13 organization, exempt from taxation pursuant to the provisions of the
14 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), organized
15 primarily for the purpose of providing services to homeless persons
16 during the day and located in a metropolitan area with a population
17 in excess of five hundred thousand (500,000) persons according to
18 the latest Federal Decennial Census. The exemption authorized by
19 this paragraph shall be applicable to sales of tangible personal
20 property to a qualified entity occurring on or after January 1,
21 2005;

22 55. Sales of tangible personal property or services to or by 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) for events the principal purpose of which is to provide
2 funding for the preservation of wetlands and habitat for wild ducks;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 c. is organized for the purpose of:

20 (1) providing training and education to
21 developmentally disabled individuals,

22 (2) educating the community about the rights,
23 abilities and strengths of developmentally
24 disabled individuals, and

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

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

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

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

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

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

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

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

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

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

1 penalty in the amount of Five Hundred Dollars
2 (\$500.00);

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

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

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

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

9 74. Sales of tangible personal property or services:

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

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

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

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

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

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

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

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

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

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

20 81. Effective November 1, 2021, sales of tangible personal
21 property or services used solely for construction and remodeling
22 projects to an organization which is exempt from taxation pursuant
23 to the provisions of the Internal Revenue Code, 26 U.S.C., Section
24 501(c)(3), and which meets the following requirements:

- 1 a. its primary purpose is to construct or remodel and
2 sell affordable housing and provide homeownership
3 education to residents of Oklahoma that have an income
4 that is below one hundred percent (100%) of the Family
5 Median Income guidelines as defined by the U.S.
6 Department of Housing and Urban Development,
7 b. it conducts its activities in a manner that serves
8 public or charitable purposes, rather than commercial
9 purposes,
10 c. it receives funding and revenue and charges fees in a
11 manner that does not incentivize it or its employees
12 to act other than in the best interests of its
13 clients, and
14 d. it compensates its employees in a manner that does not
15 incentivize employees to act other than in the best
16 interests of its clients;

17 82. Effective November 1, 2021, sales of tangible personal
18 property or services to a nonprofit entity, organized pursuant to
19 Oklahoma law before January 1, 2022, exempt from federal income
20 taxation pursuant to Section 501(c) of the Internal Revenue Code of
21 1986, as amended, the principal functions of which are to provide
22 assistance to natural persons following a disaster, with program
23 emphasis on repair or restoration to single-family residential
24 dwellings or the construction of a replacement single-family

1 residential dwelling. As used in this paragraph, "disaster" means
2 damage to property with or without accompanying injury to persons
3 from heavy rain, high winds, tornadic winds, drought, wildfire,
4 snow, ice, geologic disturbances, explosions, chemical accidents or
5 spills and other events causing damage to property on a large scale.
6 For purposes of this paragraph, an entity that expended at least
7 seventy-five percent (75%) of its funds on the restoration to
8 single-family housing following a disaster including related general
9 and administrative expenses, shall be eligible for the exemption
10 authorized by this paragraph;

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

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

20 84. Until July 1, 2022, sales of tangible personal property or
21 services for use in a clinical practice or medical facility operated
22 by an organization which is exempt from taxation pursuant to the
23 provisions of the Internal Revenue Code of the United States, 26
24 U.S.C., Section 501(c)(3), and which has entered into a joint

1 operating agreement with the University Hospitals Trust created
2 pursuant to Section 3224 of Title 63 of the Oklahoma Statutes. The
3 exemption provided by this paragraph shall be limited to the
4 purchase of tangible personal property and services for use in
5 clinical practices or medical facilities acquired or leased by the
6 organization from the University Hospitals Authority, University
7 Hospitals Trust, or the University of Oklahoma on or after June 1,
8 2021; and

9 85. Sales of tangible personal property or services to a
10 nonprofit entity, organized pursuant to Oklahoma law before January
11 1, 2019, exempt from federal income taxation pursuant to Section
12 501(c) of the Internal Revenue Code of 1986, as amended, the
13 principal functions of which are to provide assistance to natural
14 persons following a disaster, with program emphasis on repair or
15 restoration to single-family residential dwellings or the
16 construction of a replacement single-family residential dwelling.
17 For purposes of this paragraph, an entity operated exclusively for
18 charitable and educational purposes through the coordination of
19 volunteers for the disaster recovery of homes (as derived from Part
20 III, Statement of Program Services, of Internal Revenue Service Form
21 990) and offers its services free of charge to disaster survivors
22 statewide who are low income with no or limited means of recovery on
23 their own for the restoration to single-family housing following a
24 disaster including related general and administrative expenses,

1 shall be eligible for the exemption authorized by this paragraph.
2 The exemption provided by this paragraph shall only be applicable to
3 sales made on or after the effective date of this act. As used in
4 this paragraph, "disaster" means damage to property with or without
5 accompanying injury to persons from heavy rain, high winds, tornadic
6 winds, drought, wildfire, snow, ice, geologic disturbances,
7 explosions, chemical accidents or spills and other events causing
8 damage to property on a large scale; and

9 86. Occasional sales.

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

11 SECTION 4. It being immediately necessary for the preservation
12 of the public peace, health or safety, an emergency is hereby
13 declared to exist, by reason whereof this act shall take effect and
14 be in full force from and after its passage and approval.

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