

**SENATE FLOOR VERSION**

February 9, 2026

SENATE BILL NO. 1400

By: Rader of the Senate

and

Pae of the House

An Act relating to sales tax; amending 68 O.S. 2021, Sections 1357, as last amended by Section 1, Chapter 391, O.S.L. 2025, and 1357.5 (68 O.S. Supp. 2025, Section 1357), which relate to exemptions; combining certain exemptions for aircraft maintenance and manufacturing facilities and certain aircraft parts; modifying certain exemptions; updating statutory reference; updating statutory language; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 1357, as last amended by Section 1, Chapter 391, O.S.L. 2025 (68 O.S. Supp. 2025, Section 1357), is amended to read as follows:

Section 1357. Exemptions - General.

There are hereby specifically exempted from the tax levied by the Oklahoma Sales Tax Code:

1. Transportation of school pupils to and from elementary schools or high schools in motor or other vehicles;

1        2. Transportation of persons where the fare of each person does  
2 not exceed One Dollar (\$1.00), or local transportation of persons  
3 within the corporate limits of a municipality except by taxicabs;

4        3. Sales for resale to persons engaged in the business of  
5 reselling the articles purchased, whether within or without the  
6 state, provided that such sales to residents of this state are made  
7 to persons to whom sales tax permits have been issued as provided in  
8 the Oklahoma Sales Tax Code. This exemption shall not apply to the  
9 sales of articles made to persons holding permits when such persons  
10 purchase items for their use and which they are not regularly  
11 engaged in the business of reselling; neither shall this exemption  
12 apply to sales of tangible personal property to peddlers, solicitors  
13 and other salespersons who do not have an established place of  
14 business and a sales tax permit. The exemption provided by this  
15 paragraph shall apply to sales of motor fuel or diesel fuel to a  
16 Group Five vendor, but the use of such motor fuel or diesel fuel by  
17 the Group Five vendor shall not be exempt from the tax levied by the  
18 Oklahoma Sales Tax Code. The purchase of motor fuel or diesel fuel  
19 is exempt from sales tax when the motor fuel is for shipment outside  
20 this state and consumed by a common carrier by rail in the conduct  
21 of its business. The sales tax shall apply to the purchase of motor  
22 fuel or diesel fuel in Oklahoma by a common carrier by rail when  
23 such motor fuel is purchased for fueling, within this state, of any  
24 locomotive or other motorized flanged wheel equipment;

1        4. Sales of advertising space in newspapers and periodicals;

2        5. Sales of programs relating to sporting and entertainment  
3 events, and sales of advertising on billboards ~~(including, including~~  
4 signage, posters, panels, marquees or on other similar surfaces,  
5 whether indoors or ~~outdoors)~~ outdoors, or in programs relating to  
6 sporting and entertainment events, and sales of any advertising, to  
7 be displayed at or in connection with a sporting event, via the  
8 Internet, electronic display devices or through public address or  
9 broadcast systems. The exemption authorized by this paragraph shall  
10 be effective for all sales made on or after January 1, 2001;

11       6. Sales of any advertising, other than the advertising  
12 described by paragraph 5 of this section, via the Internet,  
13 electronic display devices or through the electronic media including  
14 radio, public address or broadcast systems, television ~~(whether,~~  
15 whether through closed circuit broadcasting systems or ~~otherwise)~~  
16 otherwise, and cable and satellite television, and the servicing of  
17 any advertising devices;

18       7. Eggs, feed, supplies, machinery, and equipment purchased by  
19 persons regularly engaged in the business of raising worms, fish,  
20 any insect, or any other form of terrestrial or aquatic animal life  
21 and used for the purpose of raising same for marketing. This  
22 exemption shall only be granted and extended to the purchaser when  
23 the items are to be used and in fact are used in the raising of  
24 animal life as set out above. Each purchaser shall certify, in

1 writing, on the invoice or sales ticket retained by the vendor that  
2 the purchaser is regularly engaged in the business of raising such  
3 animal life and that the items purchased will be used only in such  
4 business. The vendor shall certify to the Oklahoma Tax Commission  
5 that the price of the items has been reduced to grant the full  
6 benefit of the exemption. Violation hereof by the purchaser or  
7 vendor shall be a misdemeanor;

8 8. ~~Sale~~ Sales of natural or artificial gas and electricity, and  
9 associated delivery or transmission services, when sold exclusively  
10 for residential use. Provided, this exemption shall not apply to  
11 any sales tax levied by a city or town, or a county or any other  
12 jurisdiction in this state;

13 9. In addition to the exemptions authorized by Section 1357.6  
14 of this title, sales of drugs sold pursuant to a prescription  
15 written for the treatment of human beings by a person licensed to  
16 prescribe the drugs, and sales of insulin and medical oxygen.  
17 Provided, this exemption shall not apply to over-the-counter drugs;

18 10. Transfers of title or possession of empty, partially  
19 filled, or filled returnable oil and chemical drums to any person  
20 who is not regularly engaged in the business of selling, reselling  
21 or otherwise transferring empty, partially filled or filled  
22 returnable oil drums;

1        11. Sales of one-way utensils, paper napkins, paper cups,  
2 disposable hot containers, and other one-way carry out materials to  
3 a vendor of meals or beverages;

4        12. Sales of food or food products for home consumption which  
5 are purchased in whole or in part with coupons issued pursuant to  
6 the federal food stamp program as authorized by Sections 2011  
7 through 2036d of Title 7 of the United States Code, as to that  
8 portion purchased with such coupons. The exemption provided for  
9 such sales shall be inapplicable to such sales upon the effective  
10 date of any federal law that removes the requirement of the  
11 exemption as a condition for participation by the state in the  
12 federal food stamp program;

13        13. Sales of food or food products, or any equipment or  
14 supplies used in the preparation of the food or food products to or  
15 by an organization which:

16            a. is exempt from taxation pursuant to the provisions of  
17                Section 501(c)(3) of the Internal Revenue Code of  
18                1986, as amended, 26 U.S.C., Section 501(c)(3), and  
19                which provides and delivers prepared meals for home  
20                consumption to elderly or homebound persons as part of  
21                a program commonly known as "Meals on Wheels" or  
22                "Mobile Meals", or

23            b. is exempt from taxation pursuant to the provisions of  
24                Section 501(c)(3) of the Internal Revenue Code of

1 1986, as amended, 26 U.S.C., Section 501(c)(3), and  
2 which receives federal funding pursuant to the Older  
3 Americans Act of 1965, as amended, for the purpose of  
4 providing nutrition programs for the care and benefit  
5 of elderly persons;

6 14. a. Sales of tangible personal property or services to or  
7 by organizations which are exempt from taxation  
8 pursuant to the provisions of Section 501(c)(3) of the  
9 Internal Revenue Code of 1986, as amended, 26 U.S.C.,  
10 Section 501(c)(3), and:

11 (1) are primarily involved in the collection and  
12 distribution of food and other household products  
13 to other organizations that facilitate the  
14 distribution of such products to the needy and  
15 such distributee organizations are exempt from  
16 taxation pursuant to the provisions of Section  
17 501(c)(3) of the Internal Revenue Code of 1986,  
18 as amended, 26 U.S.C., Section 501(c)(3), or  
19 (2) facilitate the distribution of such products to  
20 the needy.

21 b. Sales made in the course of business for profit or  
22 savings, competing with other persons engaged in the  
23 same or similar business shall not be exempt under  
24 this paragraph;

1        15. Sales of tangible personal property or services to  
2 children's homes which are located on church-owned property and are  
3 operated by organizations exempt from taxation pursuant to the  
4 provisions of the Internal Revenue Code of 1986, as amended, 26  
5 U.S.C., Section 501(c) (3);

6        16. Sales of the following:

7            a.    computers, data processing equipment, related  
8                    peripherals, and telephone, telegraph or  
9                    telecommunications service, and equipment for use in a  
10                   qualified aircraft maintenance or manufacturing  
11                   facility. In order to qualify for the exemption  
12                   provided for by this subparagraph, the cost of the  
13                   items purchased by the qualified aircraft maintenance  
14                   or manufacturing facility shall equal or exceed the  
15                   sum of Two Million Dollars (\$2,000,000.00),

16           b.    tangible personal property consumed or incorporated in  
17                   the construction or expansion of a qualified aircraft  
18                   maintenance or manufacturing facility. For purposes  
19                   of this subparagraph, sales made to a contractor or  
20                   subcontractor that has previously entered into a  
21                   contractual relationship with a qualified aircraft  
22                   maintenance or manufacturing facility for construction  
23                   or expansion of such a facility shall be considered  
24

1           sales made to a qualified aircraft maintenance or  
2           manufacturing facility,

3           c. aircraft and aircraft parts provided such sales occur  
4           at a qualified aircraft maintenance facility including  
5           sales of machinery, tools, supplies, equipment, and  
6           related tangible personal property and services used  
7           or consumed in the repair, remodeling, or maintenance  
8           of aircraft or aircraft component parts which occur at  
9           a qualified aircraft maintenance facility, and

10          d. aircraft engine repairs, modification, and replacement  
11          parts, sales of aircraft frame repairs and  
12          modification, aircraft interior modification, and  
13          paint, and sales of services employed in the repair,  
14          modification, and replacement of parts of aircraft  
15          engines, aircraft frame and interior repair and  
16          modification, and paint.

17          For purposes of this paragraph, "qualified aircraft maintenance  
18 or manufacturing facility" means a new or expanding facility  
19 primarily engaged in aircraft repair, building or rebuilding,  
20 whether or not on a factory basis, whose total cost of construction  
21 exceeds the sum of Five Million Dollars (\$5,000,000.00) and which  
22 employs at least two hundred fifty new full-time-equivalent  
23 employees, as certified by the Oklahoma Employment Security  
24 Commission, upon completion of the facility. ~~In order to qualify~~



~~for the exemption provided for by this paragraph, the cost of the~~  
~~items purchased by the qualified aircraft maintenance or~~  
~~manufacturing facility shall equal or exceed the sum of Two Million~~  
~~Dollars (\$2,000,000.00)~~ As used in this paragraph, "qualified  
aircraft maintenance facility" means a facility operated by an air  
common carrier including one or more component overhaul support  
buildings or structures in an area owned, leased, or controlled by  
the air common carrier, at which there were employed at least two  
thousand full-time-equivalent employees in the preceding year as  
certified by the Oklahoma Employment Security Commission and which  
is primarily related to the fabrication, repair, alteration,  
modification, refurbishing, maintenance, building, or rebuilding of  
commercial aircraft or aircraft parts used in air common carriage.  
As used in this paragraph, "air common carrier" shall also include  
members of an affiliated group as defined by 26 U.S.C., Section  
1504;

17. ~~Sales of tangible personal property consumed or~~  
~~incorporated in the construction or expansion of a qualified~~  
~~aircraft maintenance or manufacturing facility as defined in~~  
~~paragraph 16 of this section. For purposes of this paragraph, sales~~  
~~made to a contractor or subcontractor that has previously entered~~  
~~into a contractual relationship with a qualified aircraft~~  
~~maintenance or manufacturing facility for construction or expansion~~

1 ~~of such a facility shall be considered sales made to a qualified~~  
2 ~~aircraft maintenance or manufacturing facility;~~

3 ~~18.~~ Sales of the following telecommunications services:

4       a. interstate and international 800 service. "800  
5       service" means a telecommunications service that  
6       allows a caller to dial a toll-free number without  
7       incurring a charge for the call. The service is  
8       typically marketed under the name "800", "855", "866",  
9       "877" and "888" toll-free calling, and any subsequent  
10      numbers designated by the Federal Communications  
11      Commission,

12      b. interstate and international 900 service. "900  
13      service" means an inbound toll telecommunications  
14      service purchased by a subscriber that allows the  
15      subscriber's customers to call in to the subscriber's  
16      prerecorded announcement or live service. 900 service  
17      does not include the charge for: collection services  
18      provided by the seller of the telecommunications  
19      services to the subscriber, or service or product sold  
20      by the subscriber to the subscriber's customer. The  
21      service is typically marketed under the name "900"  
22      service, and any subsequent numbers designated by the  
23      Federal Communications Commission,

- 1 c. interstate and international private communications  
2 service. "Private communications service" means a  
3 telecommunications service that entitles the customer  
4 to exclusive or priority use of a communications  
5 channel or group of channels between or among  
6 termination points, regardless of the manner in which  
7 such channel or channels are connected, and includes  
8 switching capacity, extension lines, stations and any  
9 other associated services that are provided in  
10 connection with the use of such channel or channels,
- 11 d. value-added nonvoice data service. "Value-added  
12 nonvoice data service" means a service that otherwise  
13 meets the definition of telecommunications services in  
14 which computer processing applications are used to act  
15 on the form, content, code or protocol of the  
16 information or data primarily for a purpose other than  
17 transmission, conveyance, or routing,
- 18 e. interstate and international telecommunications  
19 service which is:
- 20 (1) rendered by a company for private use within its  
21 organization, or
- 22 (2) used, allocated or distributed by a company to  
23 its affiliated group,
- 24

1 f. regulatory assessments and charges including charges  
2 to fund the Oklahoma Universal Service Fund, the  
3 Oklahoma Lifeline Fund and the Oklahoma High Cost  
4 Fund, and

5 g. telecommunications nonrecurring charges including, but  
6 not limited to, the installation, connection, change,  
7 or initiation of telecommunications services which are  
8 not associated with a retail consumer sale;

9 ~~19.~~ 18. Sales of railroad track spikes manufactured and sold  
10 for use in this state in the construction or repair of railroad  
11 tracks, switches, sidings, and turnouts;

12 ~~20. Sales of aircraft and aircraft parts provided such sales~~  
13 ~~occur at a qualified aircraft maintenance facility. As used in this~~  
14 ~~paragraph, "qualified aircraft maintenance facility" means a~~  
15 ~~facility operated by an air common carrier including one or more~~  
16 ~~component overhaul support buildings or structures in an area owned,~~  
17 ~~leased, or controlled by the air common carrier, at which there were~~  
18 ~~employed at least two thousand full-time equivalent employees in the~~  
19 ~~preceding year as certified by the Oklahoma Employment Security~~  
20 ~~Commission and which is primarily related to the fabrication,~~  
21 ~~repair, alteration, modification, refurbishing, maintenance,~~  
22 ~~building, or rebuilding of commercial aircraft or aircraft parts~~  
23 ~~used in air common carriage. For purposes of this paragraph, "air~~  
24 ~~common carrier" shall also include members of an affiliated group as~~

~~defined by Section 1504 of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 1504. Beginning July 1, 2012, the exemption shall include sales of machinery, tools, supplies, equipment, and related tangible personal property and services used or consumed in the repair, remodeling, or maintenance of aircraft, aircraft engines or aircraft component parts which occur at a qualified aircraft maintenance facility;~~

21. 19. Sales of machinery and equipment purchased and used by persons and establishments primarily engaged in computer services and data processing:

a. as defined under Industry Group Numbers 7372 and 7373 of the Standard Industrial Classification (SIC) Manual, latest version, which derive at least fifty percent (50%) of their annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer, and

b. as defined under Industry Group Number 7374 of the SIC Manual, latest version, which derive at least eighty percent (80%) of their annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer.

Eligibility for the exemption set out in this paragraph shall be established, subject to review by the Tax Commission, by annually filing an affidavit with the Tax Commission stating that the

1 facility so qualifies and such information as required by the Tax  
2 Commission. For purposes of determining whether annual gross  
3 revenues are derived from sales to out-of-state buyers or consumers,  
4 all sales to the federal government shall be considered to be to an  
5 out-of-state buyer or consumer;

6 ~~22.~~ 20. Sales of prosthetic devices to an individual for use by  
7 such individual. For purposes of this paragraph, "prosthetic  
8 device" shall have the same meaning as provided in Section 1357.6 of  
9 this title, but shall not include corrective eye glasses, contact  
10 lenses, or hearing aids;

11 ~~23.~~ 21. Sales of tangible personal property or services to a  
12 motion picture or television production company to be used or  
13 consumed in connection with an eligible production. For purposes of  
14 this paragraph, "eligible production" means a documentary, special,  
15 music video or a television commercial or television program that  
16 will serve as a pilot for or be a segment of an ongoing dramatic or  
17 situation comedy series filmed or taped for network or national or  
18 regional syndication or a feature-length motion picture intended for  
19 theatrical release or for network or national or regional  
20 syndication or broadcast. The provisions of this paragraph shall  
21 apply to sales occurring on or after July 1, 1996. In order to  
22 qualify for the exemption, the motion picture or television  
23 production company shall file any documentation and information  
24

1 required to be submitted pursuant to rules promulgated by the Tax  
2 Commission;

3 ~~24.~~ 22. Sales of diesel fuel sold for consumption by commercial  
4 vessels, barges and other commercial watercraft;

5 ~~25.~~ 23. Sales of tangible personal property or services to tax-  
6 exempt independent nonprofit biomedical research foundations that  
7 provide educational programs for Oklahoma science students and  
8 teachers and to tax-exempt independent nonprofit community blood  
9 banks headquartered in this state;

10 ~~26.~~ 24. Effective May 6, 1992, sales of wireless  
11 telecommunications equipment to a vendor who subsequently transfers  
12 the equipment at no charge or for a discounted charge to a consumer  
13 as part of a promotional package or as an inducement to commence or  
14 continue a contract for wireless telecommunications services;

15 ~~27.~~ 25. Effective January 1, 1991, leases of rail  
16 transportation cars to haul coal to coal-fired plants located in  
17 this state which generate electric power;

18 ~~28. Beginning July 1, 2005, sales of aircraft engine repairs,~~  
19 ~~modification, and replacement parts, sales of aircraft frame repairs~~  
20 ~~and modification, aircraft interior modification, and paint, and~~  
21 ~~sales of services employed in the repair, modification, and~~  
22 ~~replacement of parts of aircraft engines, aircraft frame and~~  
23 ~~interior repair and modification, and paint;~~

1       ~~29.~~ 26. Sales of materials and supplies to the owner or  
2 operator of a ship, motor vessel, or barge that is used in  
3 interstate or international commerce if the materials and supplies:

4           a. are loaded on the ship, motor vessel, or barge and  
5               used in the maintenance and operation of the ship,  
6               motor vessel, or barge, or

7           b. enter into and become component parts of the ship,  
8               motor vessel, or barge;

9       ~~30.~~ 27. Sales of tangible personal property made at estate  
10 sales at which such property is offered for sale on the premises of  
11 the former residence of the decedent by a person who is not required  
12 to be licensed pursuant to the Transient Merchant Licensing Act, or  
13 who is not otherwise required to obtain a sales tax permit for the  
14 sale of such property pursuant to the provisions of Section 1364 of  
15 this title; provided:

16           a. such sale or event may not be held for a period  
17               exceeding three (3) consecutive days,

18           b. the sale must be conducted within six (6) months of  
19               the date of death of the decedent, and

20           c. the exemption allowed by this paragraph shall not be  
21               allowed for property that was not part of the  
22               decedent's estate;

23       ~~31.~~ 28. Beginning January 1, 2004, sales of electricity and  
24 associated delivery and transmission services, when sold exclusively



1 for use by an oil and gas operator for reservoir dewatering projects  
2 and associated operations commencing on or after July 1, 2003, in  
3 which the initial water-to-oil ratio is greater than or equal to  
4 five-to-one water-to-oil, and such oil and gas development projects  
5 have been classified by the Corporation Commission as a reservoir  
6 dewatering unit;

7 ~~32.~~ 29. Sales of prewritten computer software that is delivered  
8 electronically. For purposes of this paragraph, "delivered  
9 electronically" means delivered to the purchaser by means other than  
10 tangible storage media;

11 ~~33.~~ 30. Sales of modular dwelling units when built at a  
12 production facility and moved in whole or in parts, to be assembled  
13 on-site, and permanently affixed to the real property and used for  
14 residential or commercial purposes. The exemption provided by this  
15 paragraph shall equal forty-five percent (45%) of the total sales  
16 price of the modular dwelling unit. For purposes of this paragraph,  
17 "modular dwelling unit" means a structure that is not subject to the  
18 motor vehicle excise tax imposed pursuant to Section 2103 of this  
19 title;

20 ~~34.~~ 31. Sales of tangible personal property or services to:

- 21 a. persons who are residents of Oklahoma and have been  
22 honorably discharged from active service in any branch  
23 of the Armed Forces of the United States or Oklahoma  
24 National Guard and who have been certified by the

1 United States Department of Veterans Affairs or its  
2 successor to be in receipt of disability compensation  
3 at the one-hundred-percent rate and the disability  
4 shall be permanent and have been sustained through  
5 military action or accident or resulting from disease  
6 contracted while in such active service and registered  
7 with the veterans registry created by the Oklahoma  
8 Department of Veterans Affairs, or

- 9 b. the surviving spouse of the person in subparagraph a  
10 of this paragraph if the person is deceased and the  
11 spouse has not remarried and the surviving spouse of a  
12 person who is determined by the United States  
13 Department of Defense or any branch of the United  
14 States military to have died while in the line of duty  
15 if the spouse has not remarried. Sales for the  
16 benefit of an eligible person to a spouse of the  
17 eligible person or to a member of the household in  
18 which the eligible person resides and who is  
19 authorized to make purchases on the person's behalf,  
20 when such eligible person is not present at the sale,  
21 shall also be exempt for purposes of this paragraph.  
22 The Oklahoma Tax Commission shall issue a separate  
23 exemption card to a spouse of an eligible person or to  
24 a member of the household in which the eligible person

1           resides who is authorized to make purchases on the  
2           person's behalf, if requested by the eligible person.  
3           Sales qualifying for the exemption authorized by this  
4           paragraph shall not exceed Twenty-five Thousand  
5           Dollars (\$25,000.00) per year per individual while the  
6           disabled veteran is living. Sales qualifying for the  
7           exemption authorized by this paragraph shall not  
8           exceed One Thousand Dollars (\$1,000.00) per year for  
9           an unremarried surviving spouse. Upon request of the  
10          Tax Commission, a person asserting or claiming the  
11          exemption authorized by this paragraph shall provide a  
12          statement, executed under oath, that the total sales  
13          amounts for which the exemption is applicable have not  
14          exceeded Twenty-five Thousand Dollars (\$25,000.00) per  
15          year per living disabled veteran or One Thousand  
16          Dollars (\$1,000.00) per year for an unremarried  
17          surviving spouse. If the amount of such exempt sales  
18          exceeds such amount, the sales tax in excess of the  
19          authorized amount shall be treated as a direct sales  
20          tax liability and may be recovered by the Tax  
21          Commission in the same manner provided by law for  
22          other taxes including penalty and interest. The Tax  
23          Commission shall promulgate any rules necessary to  
24          implement the provisions of this paragraph, which

1 shall include rules providing for the disclosure of  
2 information about persons eligible for the exemption  
3 authorized in this paragraph to the Oklahoma  
4 Department of Veterans Affairs, as authorized in  
5 Section 205 of this title. For purposes of the  
6 exemption authorized by this subparagraph, if the  
7 disability determination that would have been made  
8 while the disabled veteran was still living is not  
9 made final until after the death of the disabled  
10 veteran, the exemption authorized by this subparagraph  
11 may still be claimed by the surviving spouse;

12 ~~35.~~ 32. Sales of electricity to the operator, specifically  
13 designated by the Corporation Commission, of a spacing unit or lease  
14 from which oil is produced or attempted to be produced using  
15 enhanced recovery methods including, but not limited to, increased  
16 pressure in a producing formation through the use of water or  
17 saltwater if the electrical usage is associated with and necessary  
18 for the operation of equipment required to inject or circulate  
19 fluids in a producing formation for the purpose of forcing oil or  
20 petroleum into a wellbore for eventual recovery and production from  
21 the wellhead. In order to be eligible for the sales tax exemption  
22 authorized by this paragraph, the total content of oil recovered  
23 after the use of enhanced recovery methods shall not exceed one  
24 percent (1%) by volume. The exemption authorized by this paragraph

1 shall be applicable only to the state sales tax rate and shall not  
2 be applicable to any county or municipal sales tax rate;

3 ~~36.~~ 33. Sales of intrastate charter and tour bus  
4 transportation. As used in this paragraph, "intrastate charter and  
5 tour bus transportation" means the transportation of persons from  
6 one location in this state to another location in this state in a  
7 motor vehicle which has been constructed in such a manner that it  
8 may lawfully carry more than eighteen persons, and which is  
9 ordinarily used or rented to carry persons for compensation.  
10 Provided, this exemption shall not apply to regularly scheduled bus  
11 transportation for the general public;

12 ~~37.~~ 34. Sales of vitamins, minerals, and dietary supplements by  
13 a licensed chiropractor to a person who is the patient of such  
14 chiropractor at the physical location where the chiropractor  
15 provides chiropractic care or services to such patient. The  
16 provisions of this paragraph shall not be applicable to any drug,  
17 medicine, or substance for which a prescription by a licensed  
18 physician is required;

19 ~~38.~~ 35. Sales of goods, wares, merchandise, tangible personal  
20 property, machinery, and equipment to a web search portal located in  
21 this state which derives at least eighty percent (80%) of its annual  
22 gross revenue from the sale of a product or service to an out-of-  
23 state buyer or consumer. For purposes of this paragraph, "web  
24 search portal" means an establishment classified under North

1 American Industry Classification System (NAICS) code 519130 which  
2 operates websites that use a search engine to generate and maintain  
3 extensive databases of Internet addresses and content in an easily  
4 searchable format;

5 ~~39.~~ 36. Sales of tangible personal property consumed or  
6 incorporated in the construction or expansion of a facility for a  
7 corporation organized under Section 437 et seq. of Title 18 of the  
8 Oklahoma Statutes as a rural electric cooperative. For purposes of  
9 this paragraph, sales made to a contractor or subcontractor that has  
10 previously entered into a contractual relationship with a rural  
11 electric cooperative for construction or expansion of a facility  
12 shall be considered sales made to a rural electric cooperative;

13 ~~40.~~ 37. Sales of tangible personal property or services to a  
14 business primarily engaged in the repair of consumer electronic  
15 goods including, but not limited to, cell phones, compact disc  
16 players, personal computers, MP3 players, digital devices for the  
17 storage and retrieval of information through hard-wired or wireless  
18 computer or Internet connections, if the devices are sold to the  
19 business by the original manufacturer of such devices and the  
20 devices are repaired, refitted or refurbished for sale by the entity  
21 qualifying for the exemption authorized by this paragraph directly  
22 to retail consumers or if the devices are sold to another business  
23 entity for sale to retail consumers;

24

1       ~~41.~~ 38. On or after July 1, 2019, and prior to July 1, 2024,  
2 sales or leases of rolling stock when sold or leased by the  
3 manufacturer, regardless of whether the purchaser is a public  
4 services corporation engaged in business as a common carrier of  
5 property or passengers by railway, for use or consumption by a  
6 common carrier directly in the rendition of public service. For  
7 purposes of this paragraph, "rolling stock" means locomotives,  
8 autocars, and railroad cars and "sales or leases" includes railroad  
9 car maintenance and retrofitting of railroad cars for their further  
10 use only on the railways;

11       ~~42.~~ 39. Sales of gold, silver, platinum, palladium or other  
12 bullion items such as coins and bars and legal tender of any nation,  
13 which legal tender is sold according to its value as precious metal  
14 or as an investment. As used in the paragraph, "bullion" means any  
15 precious metal including, but not limited to, gold, silver,  
16 platinum, and palladium, that is in such a state or condition that  
17 its value depends upon its precious metal content and not its form.  
18 The exemption authorized by this paragraph shall not apply to  
19 fabricated metals that have been processed or manufactured for  
20 artistic use or as jewelry;

21       ~~43.~~ 40. Recovery fees on the rental charge from any item of  
22 heavy equipment property rental as provided for in Section 2807.11  
23 of this title; and  
24

1       ~~44.~~ 41. Sales of firearm safety devices and gun safety devices.

2 As used in this paragraph:

- 3           a. "firearm safety device" means a gun safe, gun case,  
4           gun lock box, trigger lock, barrel lock, or other  
5           device that is designed to be used to store a firearm  
6           and that is designed to be unlocked only by means of a  
7           key, combination, or other similar means, and  
8           b. "gun safety device" means any integral device to be  
9           equipped or installed on a firearm that permits a user  
10          to program the firearm to operate only for specified  
11          persons designated by the user through computerized  
12          locking devices or other means integral to and  
13          permanently part of the firearm.

14       SECTION 2.       AMENDATORY       68 O.S. 2021, Section 1357.5, is  
15 amended to read as follows:

16       Section 1357.5. A. In order to administer the exemption for  
17 sales to a qualified aircraft maintenance or manufacturing facility  
18 as provided by ~~paragraph 12 of Section 1357 of this title~~  
19 subparagraph b of paragraph 16 of Section 1357 of Title 68 of the  
20 Oklahoma Statutes, there shall be made a sales tax refund for state  
21 and local sales taxes paid by a qualified purchaser for tangible  
22 personal property purchased to be consumed or incorporated in the  
23 construction or expansion of a qualified aircraft maintenance or  
24 manufacturing facility, as defined in paragraph ~~11 of Section 1357~~



1 ~~of this title~~ 16 of Section 1357 of Title 68 of the Oklahoma  
2 Statutes, in the state from the account created by this section.

3 B. The Oklahoma Tax Commission shall transfer each month from  
4 sales tax collected the amount which the Commission estimates to be  
5 necessary to make the sales tax refund provided by this section to  
6 an account designated as the Tax Commission determines.

7 C. Any refund shall be paid from the account prescribed by this  
8 section at the time the claim for refund is approved by the Oklahoma  
9 Tax Commission. The amount of the refund shall not exceed the total  
10 state and local sales taxes paid together with accrued interest upon  
11 such total. The amount of interest paid to a qualified aircraft  
12 maintenance or manufacturing facility upon the principal amount of  
13 any refund made to such facility for purposes of administering the  
14 exemption provided by ~~paragraph 12 of Section 1357 of this title~~  
15 subparagraph b of paragraph 16 of Section 1357 of Title 68 of the  
16 Oklahoma Statutes, shall be determined according to the provisions  
17 of this subsection. For any month during which the Oklahoma Tax  
18 Commission transfers a sum to the account prescribed by subsection B  
19 of this section, the Tax Commission shall determine an interest rate  
20 by determining the rate of interest paid for a three-month Treasury  
21 Bill of the United States government as of the first working day of  
22 the month in which the transfer is made. The interest rate so  
23 determined shall accrue upon the amount transferred to the account.  
24 In each subsequent month, the Tax Commission shall determine the

1 interest rate paid for a three-month Treasury Bill of the United  
2 States government as of the first working day of the month and such  
3 interest rate shall accrue upon any amount transferred during the  
4 month and upon the amounts previously transferred to the account  
5 together with interest previously accrued upon such amounts.

6 D. For purposes of this section, state and local sales taxes  
7 paid by a contractor or subcontractor for tangible personal property  
8 purchased by that contractor or subcontractor to be consumed or  
9 incorporated in the construction or expansion of a qualified  
10 aircraft maintenance or manufacturing facility pursuant to a  
11 contract with a qualified facility shall, upon proper showing, be  
12 refunded to the qualified facility.

13 E. The qualified purchaser shall file, within thirty-six (36)  
14 months of the date of purchase, with the Oklahoma Tax Commission the  
15 following documentation for any refund claimed:

16 1. Invoices indicating the amount of state and local sales tax  
17 billed;

18 2. Affidavit of each vendor that state and local sales tax  
19 billed has not been audited, rebated, or refunded to the qualified  
20 purchaser but rather the sales tax charged has been collected by the  
21 vendor and remitted to the Oklahoma Tax Commission; and

22 3. All additional documentation required to be submitted  
23 pursuant to rules promulgated by the Oklahoma Tax Commission.  
24

1 F. In the event that state and local sales tax was paid by a  
2 contractor or subcontractor, the qualified purchaser shall file with  
3 the Oklahoma Tax Commission all documentation required in subsection  
4 E of this section but in lieu of the affidavit of each vendor the  
5 qualified facility shall file, for any refund claimed, an affidavit  
6 from the contractor or subcontractor stating that the sales tax  
7 refund of the qualified purchaser is based on state and local sales  
8 tax paid by the contractor or subcontractor on tangible personal  
9 property purchased to be consumed or incorporated in the  
10 construction or expansion of a qualified aircraft maintenance  
11 facility and that the amount of state and local sales tax claimed  
12 was paid to the vendor and no credit, refund, or rebate has been  
13 claimed by the contractor or subcontractor.

14 G. Only sales of tangible personal property made after ~~the~~  
15 ~~effective date of this act~~ January 18, 1991, shall be eligible for  
16 the refund established by this section.

17 H. The qualified purchaser shall file, within sixty (60) months  
18 of the date of the first purchase, with the Oklahoma Tax Commission  
19 a certification issued by the Oklahoma Employment Security  
20 Commission in order to qualify for the refund authorized by this  
21 section.

22 SECTION 3. This act shall become effective January 1, 2027.

23 COMMITTEE REPORT BY: COMMITTEE ON REVENUE AND TAXATION  
24 February 9, 2026 - DO PASS