

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1301

By: Bergstrom

AS INTRODUCED

An Act relating to sales tax; amending 68 O.S. 2021, Section 1356, as last amended by Section 1, Chapter 392, O.S.L. 2025 (68 O.S. Supp. 2025, Section 1356), which relates to exemptions for governmental and nonprofit entities; providing exemption for certain organizations that rescue and shelter animals; updating statutory language; updating statutory references; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 1356, as last amended by Section 1, Chapter 392, O.S.L. 2025 (68 O.S. Supp. 2025, Section 1356), is amended to read as follows:

Section 1356. Exemptions - Governmental and nonprofit entities. There are hereby specifically exempted from the tax levied by Section 1350 et seq. of this title:

1. Sale of tangible personal property or services to the United States government or to this state, any political subdivision of this state, or any agency of a political subdivision of this state; provided, all sales to contractors in connection with the performance of any contract with the United States government, this

1 state, or any of its political subdivisions shall not be exempted
2 from the tax levied by Section 1350 et seq. of this title, except as
3 hereinafter provided;

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

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

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

1 5. Sale of food in cafeterias or lunchrooms of elementary
2 schools, high schools, colleges, or universities which are operated
3 primarily for teachers and pupils and are not operated primarily for
4 the public or for profit;

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

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

1 and proceeds from the sale of such property are used by the church
2 or churches or by the organization for charitable purposes;

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

19 9. Sales of tangible personal property or services to the
20 council organizations or similar state supervisory organizations of
21 the ~~Boy Scouts of America~~ Scouting America, Girl Scouts of the
22 U.S.A., and Camp Fire;

23 10. Sale of tangible personal property or services to any
24 county, municipality, rural water district, public school district,
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city-county library system, the institutions of The Oklahoma State System of Higher Education, the Grand River Dam Authority, the Northeast Oklahoma Public Facilities Authority, the Oklahoma Municipal Power Authority, City of Tulsa-Rogers County Port Authority, Muskogee City-County Port Authority, the Oklahoma Department of Veterans Affairs, the Broken Bow Economic Development Authority, Ardmore Development Authority, Durant Industrial Authority, Oklahoma Ordnance Works Authority, Central Oklahoma Master Conservancy District, Arbuckle Master Conservancy District, Fort Cobb Reservoir Master Conservancy District, Foss Reservoir Master Conservancy District, Mountain Park Master Conservancy District, Waurika Lake Master Conservancy District and the Office of Management and Enterprise Services only when carrying out a public construction contract on behalf of the Oklahoma Department of Veterans Affairs, and effective July 1, 2022, the University Hospitals Trust, or to any person with whom any of the above-named subdivisions or agencies of this state has duly entered into a public contract pursuant to law, necessary for carrying out such public contract or to any subcontractor to such a public contract. Any person making purchases on behalf of such subdivision or agency of this state shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the purchases are made for and on behalf of such subdivision or agency of this state and set out the name of such public subdivision or agency. Any

1 person who wrongfully or erroneously certifies that purchases are
2 for any of the above-named subdivisions or agencies of this state or
3 who otherwise violates this section shall be guilty of a misdemeanor
4 and upon conviction thereof shall be fined an amount equal to double
5 the amount of sales tax involved or incarcerated for not more than
6 sixty (60) days or both;

7 11. Sales of tangible personal property or services to private
8 institutions of higher education and private elementary and
9 secondary institutions of education accredited by the State
10 Department of Education or registered by the State Board of
11 Education for purposes of participating in federal programs or
12 accredited as defined by the Oklahoma State Regents for Higher
13 Education which are exempt from taxation pursuant to the provisions
14 of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
15 501(c) (3) including materials, supplies, and equipment used in the
16 construction and improvement of buildings and other structures owned
17 by the institutions and operated for educational purposes.

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

23 12. Tuition and educational fees paid to private institutions
24 of higher education and private elementary and secondary
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1 institutions of education accredited by the State Department of
2 Education or registered by the State Board of Education for purposes
3 of participating in federal programs or accredited as defined by the
4 Oklahoma State Regents for Higher Education which are exempt from
5 taxation pursuant to the provisions of the Internal Revenue Code of
6 1986, as amended, 26 U.S.C., Section 501(c)(3);

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

- 8 (1) a public school,
- 9 (2) a private school offering instruction for grade
10 levels kindergarten through twelfth grade,
- 11 (3) a public school district,
- 12 (4) a public or private school board,
- 13 (5) a public or private school student group or
14 organization,
- 15 (6) a parent-teacher association or organization
16 other than as specified in subparagraph b of this
17 paragraph, or
- 18 (7) public or private school personnel for purposes
19 of raising funds for the benefit of a public or
20 private school, public school district, public or
21 private school board, or public or private school
22 student group or organization, or

23 b. Sales of tangible personal property made by or to
24 nonprofit parent-teacher associations or organizations
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1 exempt from taxation pursuant to the provisions of the
2 Internal Revenue Code of 1986, as amended, 26 U.S.C.,
3 Section 501(c)(3), nonprofit local public or private
4 school foundations which solicit money or property in
5 the name of any public or private school or public
6 school district.

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

14 14. Sales of tangible personal property by:

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

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

1 15. The first Seventy-five Thousand Dollars (\$75,000.00) each
2 year from sale of tickets and concessions at athletic events by each
3 organization exempt from taxation pursuant to the provisions of the
4 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
5 501(c) (4);

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

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

1 18. Complimentary or free tickets for admission to places of
2 amusement, sports, entertainment, exhibition, display, or other
3 recreational events or activities which are issued through a box
4 office or other entity which is operated by a state institution of
5 higher education with institutional employees or by a municipality
6 with municipal employees;

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

15 20. Sales of tangible personal property or services to any Boys
16 & Girls Clubs of America affiliate in this state which is not
17 affiliated with the Salvation Army and which is exempt from taxation
18 pursuant to the provisions of the Internal Revenue Code of 1986, as
19 amended, 26 U.S.C., Section 501(c)(3);

20 21. Sales of tangible personal property or services to any
21 organization, which takes court-adjudicated juveniles for purposes
22 of rehabilitation, and which is exempt from taxation pursuant to the
23 provisions of the Internal Revenue Code of 1986, as amended, 26
24 U.S.C., Section 501(c)(3), provided that at least fifty percent
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1 (50%) of the juveniles served by such organization are court
2 adjudicated and the organization receives state funds in an amount
3 less than ten percent (10%) of the annual budget of the
4 organization;

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

6 a. any health center as defined in Section 254b of Title
7 42 of the United States Code,

8 b. any clinic receiving disbursements of state monies
9 from the Indigent Health Care Revolving Fund pursuant
10 to the provisions of Section 66 of Title 56 of the
11 Oklahoma Statutes,

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

14 (1) provides primary care services at no cost to the
15 recipient, and

16 (2) is exempt from taxation pursuant to the
17 provisions of Section 501(c)(3) of the Internal
18 Revenue Code of 1986, as amended, 26 U.S.C.,
19 Section 501(c)(3), and

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

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

3 24. The first Fifteen Thousand Dollars (\$15,000.00) each year
4 from sales of tangible personal property or services to or by a
5 cultural organization established to sponsor and promote
6 educational, charitable, and cultural events for disadvantaged
7 children, and which organization is exempt from taxation pursuant to
8 the provisions of the Internal Revenue Code of 1986, as amended, 26
9 U.S.C., Section 501(c)(3);

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

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

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

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

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

20 30. a. Until July 1, 2022, transfer of tangible personal
21 property made pursuant to Section 3226 of Title 63 of
22 the Oklahoma Statutes by the University Hospitals
23 Trust, and
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b. Effective July 1, 2022, transfer of tangible personal property or services to or by:

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

(2) nonprofit entities which are exempt from taxation pursuant to the provisions of the Internal Revenue Code of 1986, as amended, ~~of the United States,~~ 26 U.S.C., Section 501(c)(3), which have entered into a joint operating agreement with the University Hospitals Trust;

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

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

33. The sale, use, storage, consumption, or distribution in this state, whether by the importer, exporter, or another person, of any satellite or any associated launch vehicle including components of, and parts and motors for, any such satellite or launch vehicle, imported or caused to be imported into this state for the purpose of

1 export by means of launching into space. This exemption provided by
2 this paragraph shall not be affected by:

- 3 a. the destruction in whole or in part of the satellite
- 4 or launch vehicle,
- 5 b. the failure of a launch to occur or be successful, or
- 6 c. the absence of any transfer or title to, or possession
- 7 of, the satellite or launch vehicle after launch;

8 34. The sale, lease, use, storage, consumption, or distribution
9 in this state of any space facility, space propulsion system or
10 space vehicle, satellite, or station of any kind possessing space
11 flight capacity including components thereof;

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

19 36. The sale, lease, use, storage, consumption, or distribution
20 in this state of tangible personal property meeting the definition
21 of "section 38 property" as defined in ~~Sections 48(a)(1)(A) and~~
22 ~~(B)(i)~~ 26 C.F.R., Section 1.48-1 of the Internal Revenue Code of
23 1986, as amended, that is an integral part of and used primarily in
24 support of space flight; however, section 38 property used in

1 support of space flight shall not include general office equipment,
2 any boat, mobile home, motor vehicle, or other vehicle of a class or
3 type required to be registered, licensed, titled or documented in
4 this state or by the United States government, or any other property
5 not specifically suited to supporting space activity. The term "in
6 support of space flight", for purposes of this paragraph, means the
7 altering, monitoring, controlling, regulating, adjusting, servicing,
8 or repairing of any space facility, space propulsion systems or
9 space vehicle, satellite, or station possessing space flight
10 capacity including the components thereof;

11 37. The purchase or lease of machinery and equipment for use at
12 a fixed location in this state, which is used exclusively in the
13 manufacturing, processing, compounding, or producing of any space
14 facility, space propulsion system or space vehicle, satellite, or
15 station of any kind possessing space flight capacity. Provided, the
16 exemption provided for in this paragraph shall not be allowed unless
17 the purchaser or lessee signs an affidavit stating that the item or
18 items to be exempted are for the exclusive use designated herein.
19 Any person furnishing a false affidavit to the vendor for the
20 purpose of evading payment of any tax imposed by Section 1354 of
21 this title shall be subject to the penalties provided by law. As
22 used in this paragraph, "machinery and equipment" means "section 38
23 property" as defined in ~~Sections 48(a)(1)(A) and (B)(i)~~ 26 C.F.R.,
24 Section 1.48-1 of the Internal Revenue Code of 1986, as amended,

1 which is used as an integral part of the manufacturing, processing,
2 compounding, or producing of items of tangible personal property.
3 Such term includes parts and accessories only to the extent that the
4 exemption thereof is consistent with the provisions of this
5 paragraph;

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

11 39. Sales of tangible personal property or services which are
12 directly used in or for the benefit of a state park in this state,
13 which are made to an organization which is exempt from taxation
14 pursuant to the provisions of the Internal Revenue Code of 1986, as
15 amended, 26 U.S.C., Section 501(c)(3) and which is organized
16 primarily for the purpose of supporting one or more state parks
17 located in this state;

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

20 41. Sales of tangible personal property or services for use on
21 campus or school construction projects for the benefit of
22 institutions of The Oklahoma State System of Higher Education,
23 private institutions of higher education accredited by the Oklahoma
24 State Regents for Higher Education, or any public school or school

1 district when such projects are financed by or through the use of
2 nonprofit entities which are exempt from taxation pursuant to the
3 provisions of the Internal Revenue Code of 1986, as amended, 26
4 U.S.C., Section 501(c) (3);

5 42. Sales of tangible personal property or services by an
6 organization which is exempt from taxation pursuant to the
7 provisions of the Internal Revenue Code of 1986, as amended, 26
8 U.S.C., Section 501(c) (3), in the course of conducting a national
9 championship sports event, but only if all or a portion of the
10 payment in exchange therefor would qualify as the receipt of a
11 qualified sponsorship payment described in Internal Revenue Code of
12 1986, as amended, 26 U.S.C., Section 513(i). Sales exempted
13 pursuant to this paragraph shall be exempt from all Oklahoma sales,
14 use, excise, and gross receipts taxes;

15 43. Sales of tangible personal property or services to or by an
16 organization which:

- 17 a. is exempt from taxation pursuant to the provisions of
18 the Internal Revenue Code of 1986, as amended, 26
19 U.S.C., Section 501(c) (3),
- 20 b. is affiliated with a comprehensive university within
21 The Oklahoma State System of Higher Education, and
- 22 c. has been organized primarily for the purpose of
23 providing education and teacher training and
24 conducting events relating to robotics;

1 44. The first Fifteen Thousand Dollars (\$15,000.00) each year
2 from sales of tangible personal property to or by youth athletic
3 teams which are part of an athletic organization exempt from
4 taxation pursuant to the provisions of the Internal Revenue Code of
5 1986, as amended, 26 U.S.C., Section 501(c)(4), for the purposes of
6 raising funds for the benefit of the team;

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

13 46. Sales of tangible personal property or services to or by an
14 organization which is exempt from taxation pursuant to the
15 provisions of the Internal Revenue Code of 1986, as amended, 26
16 U.S.C., Section 501(c)(3) and is operating the Oklahoma City
17 National Memorial and Museum, an affiliate of the National Park
18 System;

19 47. Sales of tangible personal property or services to
20 organizations which are exempt from federal taxation pursuant to the
21 provisions of Section 501(c)(3) of the Internal Revenue Code of
22 1986, as amended, 26 U.S.C., Section 501(c)(3), the memberships of
23 which are limited to honorably discharged veterans, and which
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1 furnish financial support to area veterans' organizations to be used
2 for the purpose of constructing a memorial or museum;

3 48. Sales of tangible personal property or services on or after
4 January 1, 2003, to an organization which is exempt from taxation
5 pursuant to the provisions of the Internal Revenue Code of 1986, as
6 amended, 26 U.S.C., Section 501(c)(3) that is expending monies
7 received from a private foundation grant in conjunction with
8 expenditures of local sales tax revenue to construct a local public
9 library;

10 49. Sales of tangible personal property or services to a state
11 that borders this state or any political subdivision of that state,
12 but only to the extent that the other state or political subdivision
13 exempts or does not impose a tax on similar sales of items to this
14 state or a political subdivision of this state;

15 50. Effective July 1, 2005, sales of tangible personal property
16 or services to the career technology student organizations under the
17 direction and supervision of the Oklahoma Department of Career and
18 Technology Education;

19 51. Sales of tangible personal property to a public trust
20 having either a single city, town or county or multiple cities,
21 towns or counties, or combination thereof as beneficiary or
22 beneficiaries or a nonprofit organization which is exempt from
23 taxation pursuant to the provisions of the Internal Revenue Code of
24 1986, as amended, 26 U.S.C., Section 501(c)(3) for the purpose of

1 constructing improvements to or expanding a hospital or nursing home
2 owned and operated by any such public trust or nonprofit entity
3 prior to July 1, 2008, in counties with a population of less than
4 one hundred thousand (100,000) persons, according to the most recent
5 Federal Decennial Census. As used in this paragraph, "constructing
6 improvements to or expanding" shall not mean any expense for routine
7 maintenance or general repairs and shall require a project cost of
8 at least One Hundred Thousand Dollars (\$100,000.00). For purposes
9 of this paragraph, sales made to a contractor or subcontractor that
10 enters into a contractual relationship with a public trust or
11 nonprofit entity as described by this paragraph shall be considered
12 sales made to the public trust or nonprofit entity. The exemption
13 authorized by this paragraph shall be administered in the form of a
14 refund from the sales tax revenues apportioned pursuant to Section
15 1353 of this title and the vendor shall be required to collect the
16 sales tax otherwise applicable to the transaction. The purchaser
17 may apply for a refund of the sales tax paid in the manner
18 prescribed by this paragraph. Within thirty (30) days after the end
19 of each fiscal year, any purchaser that is entitled to make
20 application for a refund based upon the exempt treatment authorized
21 by this paragraph may file an application for refund of the sales
22 taxes paid during such preceding fiscal year. The Oklahoma Tax
23 Commission shall prescribe a form for purposes of making the
24 application for refund. The Tax Commission shall determine whether

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

18 52. Effective July 1, 2006, sales of tangible personal property
19 or services to any organization which assists, trains, educates, and
20 provides housing for physically and mentally disabled persons and
21 which is exempt from taxation pursuant to the provisions of the
22 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
23 501(c)(3) and that receives at least eighty-five percent (85%) of
24 its annual budget from state or federal funds. In order to receive

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

18 53. The first Two Thousand Dollars (\$2,000.00) each year of
19 sales of tangible personal property or services to, by, or for the
20 benefit of a qualified neighborhood watch organization that is
21 endorsed or supported by or working directly with a law enforcement
22 agency with jurisdiction in the area in which the neighborhood watch
23 organization is located. As used in this paragraph, "qualified
24 neighborhood watch organization" means an organization that is a

1 not-for-profit corporation under the laws of this state that was
2 created to help prevent criminal activity in an area through
3 community involvement and interaction with local law enforcement and
4 which is one of the first two thousand organizations which makes
5 application to the Oklahoma Tax Commission for the exemption after
6 March 29, 2006;

7 54. Sales of tangible personal property to a nonprofit
8 organization, exempt from taxation pursuant to the provisions of the
9 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
10 501(c)(3), organized primarily for the purpose of providing services
11 to homeless persons during the day and located in a metropolitan
12 area with a population in excess of five hundred thousand (500,000)
13 persons according to the latest Federal Decennial Census. The
14 exemption authorized by this paragraph shall be applicable to sales
15 of tangible personal property to a qualified entity occurring on or
16 after January 1, 2005;

17 55. Sales of tangible personal property or services to or by an
18 organization which is exempt from taxation pursuant to the
19 provisions of the Internal Revenue Code of 1986, as amended, 26
20 U.S.C., Section 501(c)(3) for events the principal purpose of which
21 is to provide funding for the preservation of wetlands and habitat
22 for wild ducks;

23 56. Sales of tangible personal property or services to or by an
24 organization which is exempt from taxation pursuant to the
25

1 provisions of the Internal Revenue Code of 1986, as amended, 26
2 U.S.C., Section 501(c)(3) for events the principal purpose of which
3 is to provide funding for the preservation and conservation of wild
4 turkeys;

5 57. Sales of tangible personal property or services to an
6 organization which:

7 a. is exempt from taxation pursuant to the provisions of
8 the Internal Revenue Code of 1986, as amended, 26
9 U.S.C., Section 501(c)(3), and

10 b. is part of a network of community-based, autonomous
11 member organizations that meets the following
12 criteria:

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

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

19 (3) collects donated clothing and household goods to
20 sell in retail stores and provides contract labor
21 services to business and government, and

22 (4) provides documentation to the Oklahoma Tax
23 Commission that over seventy-five percent (75%)
24 of its revenues are channeled into employment,

1 job training and placement programs, and other
2 critical community services;

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

18 59. Sales of tickets for admission and complimentary or free
19 tickets for admission which have a value equivalent to the charge
20 that would have otherwise been made to a professional sporting event
21 involving ice hockey, baseball, basketball, football or arena
22 football, or soccer. As used in this paragraph, "professional
23 sporting event" means an organized athletic competition between
24 teams that are members of an organized league or association with

1 centralized management, other than a national league or national
2 association, that imposes requirements for participation in the
3 league upon the teams, the individual athletes, or both, and which
4 uses a salary structure to compensate the athletes;

5 60. Sales of tickets for admission to an annual event sponsored
6 by an educational and charitable organization of women which is
7 exempt from taxation pursuant to the provisions of the Internal
8 Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c)(3) and
9 has as its mission promoting volunteerism, developing the potential
10 of women and improving the community through the effective action
11 and leadership of trained volunteers;

12 61. Sales of tangible personal property or services to an
13 organization, which is exempt from taxation pursuant to the
14 provisions of the Internal Revenue Code of 1986, as amended, 26
15 U.S.C., Section 501(c)(3), and which is itself a member of an
16 organization which is exempt from taxation pursuant to the
17 provisions of the Internal Revenue Code of 1986, as amended, 26
18 U.S.C., Section 501(c)(3), if the membership organization is
19 primarily engaged in advancing the purposes of its member
20 organizations through fundraising, public awareness, or other
21 efforts for the benefit of its member organizations, and if the
22 member organization is primarily engaged either in providing
23 educational services and programs concerning health-related diseases
24 and conditions to individuals suffering from such health-related

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

7 62. Sales of tangible personal property or services to or by an
8 organization which is part of a national volunteer women's service
9 organization dedicated to promoting patriotism, preserving American
10 history, and securing better education for children and which has at
11 least one hundred sixty-eight thousand members in three thousand
12 chapters across the United States;

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

17 64. Sales of tangible personal property or services to or by a
18 veteran's organization which is exempt from taxation pursuant to the
19 provisions of the Internal Revenue Code of 1986, as amended, 26
20 U.S.C., Section 501(c)(19) and which is known as the Veterans of
21 Foreign Wars of the United States, Oklahoma ~~Chapters~~ chapters;

22 65. Sales of boxes of food by a church or by an organization,
23 which is exempt from taxation pursuant to the provisions of the
24 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section

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

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

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

13 a. is exempt from taxation pursuant to the provisions of
14 the Internal Revenue Code of 1986, as amended, 26
15 U.S.C., Section 501(c)(3),

16 b. has filed a ~~Not-for-Profit Certificate of~~
17 ~~Incorporation~~ 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
25

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 of 1986, as amended, 26
8 U.S.C., Section 501(c)(3); provided, until July 1, 2008, such
9 exemption shall apply only to eligible shelters for children from
10 birth to age twelve (12) and after July 1, 2008, such exemption
11 shall apply to eligible shelters for children from birth to age
12 eighteen (18);

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

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

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

15 70. a. Sales of tangible personal property to a service
16 organization of mothers who have children who are
17 serving or who have served in the military, which
18 service organization is exempt from taxation pursuant
19 to the provisions of the Internal Revenue Code of
20 1986, as amended, 26 U.S.C., Section 501(c)(19) and
21 which is known as the Blue Star Mothers of America,
22 Inc. The exemption provided by this paragraph shall
23 only apply to the purchase of tangible personal
24 property actually sent to United States military

1 personnel overseas who are serving in a combat zone
2 and not to any other tangible personal property
3 purchased by the organization. Provided, this
4 exemption shall not apply to any sales tax levied by a
5 city, town, county, or any other jurisdiction in this
6 state.

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

22 c. A purchaser who applies for a refund pursuant to this
23 paragraph shall certify that the items were actually
24 sent to military personnel overseas in a combat zone.

1 Any purchaser that applies for a refund for the
2 purchase of items that are not authorized for
3 exemption under this paragraph shall be subject to a
4 penalty in the amount of Five Hundred Dollars
5 (\$500.00);

6 71. Sales of food and snack items to or by an organization
7 which is exempt from taxation pursuant to the provisions of the
8 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
9 501(c)(3), whose primary and principal purpose is providing funding
10 for scholarships in the medical field;

11 72. Sales of tangible personal property or services for use
12 solely on construction projects for organizations which are exempt
13 from taxation pursuant to the provisions of the Internal Revenue
14 Code of 1986, as amended, 26 U.S.C., Section 501(c)(3) and whose
15 purpose is providing end-of-life care and access to hospice services
16 to low-income individuals who live in a facility owned by the
17 organization. The exemption provided by this paragraph applies to
18 sales to the organization as well as to sales to any person with
19 whom the organization has duly entered into a construction contract,
20 necessary for carrying out such contract or to any subcontractor to
21 such a construction contract. Any person making purchases on behalf
22 of such organization shall certify, in writing, on the copy of the
23 invoice or sales ticket to be retained by the vendor that the
24 purchases are made for and on behalf of such organization and set

1 out the name of such organization. Any person who wrongfully or
2 erroneously certifies that purchases are for any of the above-named
3 organizations or who otherwise violates this section shall be guilty
4 of a misdemeanor and upon conviction thereof shall be fined an
5 amount equal to double the amount of sales tax involved or
6 incarcerated for not more than sixty (60) days or both;

7 73. Sales of tickets for admission to events held by
8 organizations exempt from taxation pursuant to the provisions of the
9 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
10 501(c) (3) that are organized for the purpose of supporting general
11 hospitals licensed by the State Department of Health;

12 74. Sales of tangible personal property or services:

13 a. to a foundation which is exempt from taxation pursuant
14 to the provisions of the Internal Revenue Code of
15 1986, as amended, 26 U.S.C., Section 501(c) (3) and
16 which raises tax-deductible contributions in support
17 of a wide range of firearms-related public interest
18 activities of the National Rifle Association of
19 America and other organizations that defend and foster
20 Second Amendment rights, and

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

1 75. Sales by an organization or entity which is exempt from
2 taxation pursuant to the provisions of the Internal Revenue Code of
3 1986, as amended, 26 U.S.C., Section 501(c)(3) which are related to
4 a fundraising event sponsored by the organization or entity when the
5 event does not exceed any five (5) consecutive days and when the
6 sales are not in the organization's or the entity's regular course
7 of business. Provided, the exemption provided in this paragraph
8 shall be limited to tickets sold for admittance to the fundraising
9 event and items which were donated to the organization or entity for
10 sale at the event;

11 76. Effective November 1, 2017, sales of tangible personal
12 property or services to an organization which is exempt from
13 taxation pursuant to the provisions of the Internal Revenue Code of
14 1986, as amended, 26 U.S.C., Section 501(c)(3) and operates as a
15 collaborative model which connects community agencies in one
16 location to serve individuals and families affected by violence and
17 where victims have access to services and advocacy at no cost to the
18 victim;

19 77. Effective July 1, 2018, sales of tangible personal property
20 or services to or by an association which is exempt from taxation
21 pursuant to the provisions of the Internal Revenue Code of 1986, as
22 amended, 26 U.S.C., Section 501(c)(19) and which is known as the
23 National Guard Association of Oklahoma;

1 78. Effective July 1, 2018, sales of tangible personal property
2 or services to or by an association which is exempt from taxation
3 pursuant to the provisions of the Internal Revenue Code of 1986, as
4 amended, 26 U.S.C., Section 501(c)(4) and which is known as the
5 Marine Corps League Department of Oklahoma;

6 79. Sales of tangible personal property or services to the
7 American Legion, whether the purchase is made by the entity
8 chartered by the United States Congress or is an entity organized
9 under the laws of this or another state pursuant to the authority of
10 the national American Legion organization;

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

- 13 a. exempt from taxation pursuant to the provisions of the
14 Internal Revenue Code of 1986, as amended, 26 U.S.C.,
15 Section 501(c)(3),
- 16 b. verified with a letter from the ~~MIT~~ Fab Foundation as
17 an official member of the Fab Lab Network in
18 compliance with the Fab Charter, and
- 19 c. able to provide documentation that its primary and
20 principal purpose is to provide community access to
21 advanced 21st century manufacturing and digital
22 fabrication tools for science, technology,
23 engineering, art and math (STEAM) learning skills,

1 developing inventions, creating and sustaining
2 businesses, and producing personalized products;

3 81. Effective November 1, 2021, sales of tangible personal
4 property or services used solely for construction and remodeling
5 projects to an organization which is exempt from taxation pursuant
6 to the provisions of the Internal Revenue Code of 1986, as amended,
7 26 U.S.C., Section 501(c)(3), and which meets the following
8 requirements:

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

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

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

- 21 a. operates as a part of an organization which is exempt
22 from taxation pursuant to the provisions of the
23 Internal Revenue Code of 1986, as amended, 26 U.S.C.,
24 Section 501(c)(3),
25

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

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

5 84. Until July 1, 2022, sales of tangible personal property or
6 services for use in a clinical practice or medical facility operated
7 by an organization which is exempt from taxation pursuant to the
8 provisions of the Internal Revenue Code of 1986, as amended, of the
9 United States, 26 U.S.C., Section 501(c)(3), and which has entered
10 into a joint operating agreement with the University Hospitals Trust
11 created pursuant to Section 3224 of Title 63 of the Oklahoma
12 Statutes. The exemption provided by this paragraph shall be limited
13 to the purchase of tangible personal property and services for use
14 in clinical practices or medical facilities acquired or leased by
15 the organization from the University Hospitals Authority, University
16 Hospitals Trust, or the University of Oklahoma on or after June 1,
17 2021;

18 85. Sales of tangible personal property or services to or by a
19 women's veterans organization, and its subchapters in this state,
20 that is exempt from taxation pursuant to the provisions of the
21 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
22 501(c)(19) and is known as the Oklahoma Women Veterans Organization;

23 86. Sales of tangible personal property or services to a
24 nonprofit entity, organized pursuant to Oklahoma law before January
25

1, 2019, exempt from federal income taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, the principal functions of which are to provide assistance to natural persons following a disaster, with program emphasis on repair or restoration to single-family residential dwellings or the construction of a replacement single-family residential dwelling. For purposes of this paragraph, an entity operated exclusively for charitable and educational purposes through the coordination of volunteers for the disaster recovery of homes (as derived from Part III, Statement of Program ~~Services~~ Service Accomplishments, of Internal Revenue Service Form 990) and which offers its services free of charge to disaster survivors statewide who are low income with no or limited means of recovery on their own for the restoration to single-family housing following a disaster including related general and administrative expenses, shall be eligible for the exemption authorized by this paragraph. The exemption provided by this paragraph shall only be applicable to sales made on or after July 1, 2022. As used in this paragraph, "disaster" means damage to property with or without accompanying injury to persons from heavy rain, high winds, tornadic winds, drought, wildfire, snow, ice, geologic disturbances, explosions, chemical accidents or spills and other events causing damage to property on a large scale;

87. Effective July 1, 2022, sales of tangible personal property or services to an organization which is exempt from taxation

1 pursuant to the provisions of the Internal Revenue Code of 1986, as
2 amended, 26 U.S.C., Section 501(c)(3) and which provides support to
3 veterans, active duty members of the Armed Forces, reservists, and
4 members of the National Guard to assist with the transition to
5 civilian life and which provides documentation to the Oklahoma Tax
6 Commission that over seventy percent (70%) of its revenue is
7 expended on support for transition to civilian life; ~~and~~

8 88. Sales of tangible personal property or services to or by an
9 organization in this state which:

- 10 a. is exempt from taxation pursuant to the provisions of
11 the Internal Revenue Code of 1986, as amended, 26
12 U.S.C., Section 501(c)(3), and
13 b. provides documentation to the Oklahoma Tax Commission
14 showing the organization's principal purpose is to
15 provide school supplies or articles of clothing for
16 underserved students attending grades prekindergarten
17 through twelve at public schools in this state; and

18 89. Sales of tangible personal property or services to an
19 organization in this state which is exempt from taxation pursuant to
20 the provisions of the Internal Revenue Code of 1986, as amended, 26
21 U.S.C., Section 501(c)(3) and the principal functions of which are:

- 22 a. rescuing and caring for animals that have been
23 abandoned, neglected, abused, or are otherwise
24 unwanted, and

1 b. seeking to rehome or facilitate the adoption of those
2 animals, or to provide sanctuary or shelter for those
3 animals which have not been or cannot be adopted or
4 rehomed.

5 SECTION 2. This act shall become effective November 1, 2026.

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