

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 SENATE BILL 1851

By: Reinhardt

6 AS INTRODUCED

7 An Act relating to sales tax; amending 68 O.S. 2021,
8 Section 1356, as last amended by Section 1, Chapter
9 392, O.S.L. 2025 (68 O.S. Supp. 2025, Section 1356),
which relates to exemptions for governmental and
nonprofit entities; providing exemption for public
trusts in which a municipality is the beneficiary;
updating statutory language; updating statutory
references; and providing an effective date.

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

14 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1356, as
15 last amended by Section 1, Chapter 392, O.S.L. 2025 (68 O.S. Supp.
16 2025, Section 1356), is amended to read as follows:

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

20 1. Sale of tangible personal property or services to the United
21 States government or to this state, any political subdivision of
22 this state, or any agency of a political subdivision of this state,
23 or a public trust in which a municipality is the beneficiary;
24 provided, all sales to contractors in connection with the

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

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

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

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

1 the premises of the fair authority in conjunction with and during
2 the time period of a county, district, or state fair;

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

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

18 7. Sale of tangible personal property or services to or by
19 churches, except sales made in the course of business for profit or
20 savings, competing with other persons engaged in the same, or a
21 similar business or sale of tangible personal property or services
22 by an organization exempt from federal income tax pursuant to
23 Section 501(c) (3) of the Internal Revenue Code of 1986, as amended,
24 made on behalf of or at the request of a church or churches if the

1 sale of such property is conducted not more than once each calendar
2 year for a period not to exceed three (3) days by the organization
3 and proceeds from the sale of such property are used by the church
4 or churches or by the organization for charitable purposes;

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

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

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

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

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

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

1 12. Tuition and educational fees paid to private institutions
2 of higher education and private elementary and secondary
3 institutions of education accredited by the State Department of
4 Education or registered by the State Board of Education for purposes
5 of participating in federal programs or accredited as defined by the
6 Oklahoma State Regents for Higher Education which are exempt from
7 taxation pursuant to the provisions of the Internal Revenue Code of
8 1986, as amended, 26 U.S.C., Section 501(c)(3);

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

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

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

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

14. Sales of tangible personal property by:

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

The exemption provided by this paragraph shall be limited to sales for the purpose of raising funds for the benefit of such

1 organizations. Sale of tangible personal property exempted by this
2 paragraph shall include sale of admission tickets;

3 15. The first Seventy-five Thousand Dollars (\$75,000.00) each
4 year from sale of tickets and concessions at athletic events by each
5 organization exempt from taxation pursuant to the provisions of the
6 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
7 501(c) (4);

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

14 17. Sales of tangible personal property or services to fire
15 departments organized pursuant to Section 592 of Title 18 of the
16 Oklahoma Statutes, which items are to be used for the purposes of
17 the fire department. Any person making purchases on behalf of any
18 such fire department shall certify, in writing, on the copy of the
19 invoice or sales ticket to be retained by the vendor that the
20 purchases are made for and on behalf of such fire department and set
21 out the name of such fire department. Any person who wrongfully or
22 erroneously certifies that the purchases are for any such fire
23 department or who otherwise violates the provisions of this section
24 shall be deemed guilty of a misdemeanor and upon conviction thereof,

1 shall be fined an amount equal to double the amount of sales tax
2 involved or incarcerated for not more than sixty (60) days, or both;

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

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

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

22 21. Sales of tangible personal property or services to any
23 organization, which takes court-adjudicated juveniles for purposes
24 of rehabilitation, and which is exempt from taxation pursuant to the

1 provisions of the Internal Revenue Code of 1986, as amended, 26
2 U.S.C., Section 501(c)(3), provided that at least fifty percent
3 (50%) of the juveniles served by such organization are court
4 adjudicated and the organization receives state funds in an amount
5 less than ten percent (10%) of the annual budget of the
6 organization;

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

- 8 a. any health center as defined in Section 254b of Title
9 42 of the United States Code,
- 10 b. any clinic receiving disbursements of state monies
11 from the Indigent Health Care Revolving Fund pursuant
12 to the provisions of Section 66 of Title 56 of the
13 Oklahoma Statutes,
- 14 c. any community-based health center which meets all of
15 the following criteria:
 - 16 (1) provides primary care services at no cost to the
17 recipient, and
 - 18 (2) is exempt from taxation pursuant to the
19 provisions of Section 501(c)(3) of the Internal
20 Revenue Code of 1986, as amended, 26 U.S.C.,
21 Section 501(c)(3), and
- 22 d. any community mental health center as defined in
23 Section 3-302 of Title 43A of the Oklahoma Statutes;

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

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

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

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

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

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

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

30. a. Until July 1, 2022, transfer of tangible personal property made pursuant to Section 3226 of Title 63 of

the Oklahoma Statutes by the University Hospitals
Trust, and

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

1 of, and parts and motors for, any such satellite or launch vehicle,
2 imported or caused to be imported into this state for the purpose of
3 export by means of launching into space. This exemption provided by
4 this paragraph shall not be affected by:

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

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

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

21 36. The sale, lease, use, storage, consumption, or distribution
22 in this state of tangible personal property meeting the definition
23 of "section 38 property" as defined in ~~Sections 48(a)(1)(A) and~~
24 ~~(B)(i) 26 C.F.R., Section 1.48-1~~ of the Internal Revenue Code of

1 1986, as amended, that is an integral part of and used primarily in
2 support of space flight; however, section 38 property used in
3 support of space flight shall not include general office equipment,
4 any boat, mobile home, motor vehicle, or other vehicle of a class or
5 type required to be registered, licensed, titled or documented in
6 this state or by the United States government, or any other property
7 not specifically suited to supporting space activity. The term "in
8 support of space flight", for purposes of this paragraph, means the
9 altering, monitoring, controlling, regulating, adjusting, servicing,
10 or repairing of any space facility, space propulsion systems or
11 space vehicle, satellite, or station possessing space flight
12 capacity including the components thereof;

13 37. The purchase or lease of machinery and equipment for use at
14 a fixed location in this state, which is used exclusively in the
15 manufacturing, processing, compounding, or producing of any space
16 facility, space propulsion system or space vehicle, satellite, or
17 station of any kind possessing space flight capacity. Provided, the
18 exemption provided for in this paragraph shall not be allowed unless
19 the purchaser or lessee signs an affidavit stating that the item or
20 items to be exempted are for the exclusive use designated herein.
21 Any person furnishing a false affidavit to the vendor for the
22 purpose of evading payment of any tax imposed by Section 1354 of
23 this title shall be subject to the penalties provided by law. As
24 used in this paragraph, "machinery and equipment" means "section 38

1 property" as defined in ~~Sections 48(a)(1)(A) and (B)(i) 26 C.F.R.,~~
2 Section 1.48-1 of the Internal Revenue Code of 1986, as amended,
3 which is used as an integral part of the manufacturing, processing,
4 compounding, or producing of items of tangible personal property.
5 Such term includes parts and accessories only to the extent that the
6 exemption thereof is consistent with the provisions of this
7 paragraph;

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

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

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

22 41. Sales of tangible personal property or services for use on
23 campus or school construction projects for the benefit of
24 institutions of The Oklahoma State System of Higher Education,

1 private institutions of higher education accredited by the Oklahoma
2 State Regents for Higher Education, or any public school or school
3 district when such projects are financed by or through the use of
4 nonprofit entities which are exempt from taxation pursuant to the
5 provisions of the Internal Revenue Code of 1986, as amended, 26
6 U.S.C., Section 501(c)(3);

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

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

- 19 a. is exempt from taxation pursuant to the provisions of
20 the Internal Revenue Code of 1986, as amended, 26
21 U.S.C., Section 501(c)(3),
- 22 b. is affiliated with a comprehensive university within
23 The Oklahoma State System of Higher Education, and

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

44. The first Fifteen Thousand Dollars (\$15,000.00) each year

from sales of tangible personal property to or by youth athletic

teams which are part of an athletic organization exempt from

taxation pursuant to the provisions of the Internal Revenue Code of

1986, as amended, 26 U.S.C., Section 501(c)(4), for the purposes of

raising funds for the benefit of the team;

45. Sales of tickets for admission to

45. Sales of tickets for admission to

event that is held in a facility owned or operated by a municipality

or a public trust of which the municipality is the sole beneficiary

and that actually determines or is part of a tournament or

tournament process for determining a conference tournament

championship, a conference championship, or a national championship;

46. Sales of tangible personal property or services to c

organization which is exempt from taxation pursuant to the

provisions of the Internal Revenue Code of 1986, as amended, 26

U.S.C., Section 501(c)(3) and is operating the Oklahoma City

National Memorial and Museum, an affiliate of the National Park

System:

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47. Sales of tangible personal property or services to

organizations which are exempt from federal taxation pursuant to the

provisions of Section 501(c)(3) of the Internal Revenue Code of

1 1986, as amended, 26 U.S.C., Section 501(c)(3), the memberships of
2 which are limited to honorably discharged veterans, and which
3 furnish financial support to area veterans' organizations to be used
4 for the purpose of constructing a memorial or museum;

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

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

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

21 51. Sales of tangible personal property to a public trust
22 having either a single city, town or county or multiple cities,
23 towns or counties, or combination thereof as beneficiary or
24 beneficiaries or a nonprofit organization which is exempt from

1 taxation pursuant to the provisions of the Internal Revenue Code of
2 1986, as amended, 26 U.S.C., Section 501(c)(3) for the purpose of
3 constructing improvements to or expanding a hospital or nursing home
4 owned and operated by any such public trust or nonprofit entity
5 prior to July 1, 2008, in counties with a population of less than
6 one hundred thousand (100,000) persons, according to the most recent
7 Federal Decennial Census. As used in this paragraph, "constructing
8 improvements to or expanding" shall not mean any expense for routine
9 maintenance or general repairs and shall require a project cost of
10 at least One Hundred Thousand Dollars (\$100,000.00). For purposes
11 of this paragraph, sales made to a contractor or subcontractor that
12 enters into a contractual relationship with a public trust or
13 nonprofit entity as described by this paragraph shall be considered
14 sales made to the public trust or nonprofit entity. The exemption
15 authorized by this paragraph shall be administered in the form of a
16 refund from the sales tax revenues apportioned pursuant to Section
17 1353 of this title and the vendor shall be required to collect the
18 sales tax otherwise applicable to the transaction. The purchaser
19 may apply for a refund of the sales tax paid in the manner
20 prescribed by this paragraph. Within thirty (30) days after the end
21 of each fiscal year, any purchaser that is entitled to make
22 application for a refund based upon the exempt treatment authorized
23 by this paragraph may file an application for refund of the sales
24 taxes paid during such preceding fiscal year. The Oklahoma Tax

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

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

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

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

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

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

1 56. Sales of tangible personal property or services to or by an
2 organization which is 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) for events the principal purpose of which
5 is to provide funding for the preservation and conservation of wild
6 turkeys;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 65. Sales of boxes of food by a church or by an organization,
2 which is exempt from taxation pursuant to the provisions of the
3 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
4 501(c)(3). To qualify under the provisions of this paragraph, the
5 organization must be organized for the primary purpose of feeding
6 needy individuals or to encourage volunteer service by requiring
7 such service in order to purchase food. These boxes shall only
8 contain edible staple food items;

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

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

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

19 b. has filed a ~~Not-for-Profit Certificate of~~
20 Incorporation not-for-profit certificate of
21 incorporation in this state, and

22 c. is organized for the purpose of:

23 (1) providing training and education to
24 developmentally disabled individuals,

- (2) educating the community about the rights, abilities, and strengths of developmentally disabled individuals, and
- (3) promoting unity among developmentally disabled individuals in their community and geographic area;

68. Sales of tangible personal property or services to any organization which is a shelter for abused, neglected, or abandoned children and which is exempt from taxation pursuant to the provisions of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c)(3); provided, until July 1, 2008, such exemption shall apply only to eligible shelters for children from birth to age twelve (12) and after July 1, 2008, such exemption shall apply to eligible shelters for children from birth to age eighteen (18);

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

a. possesses a 3-star rating from the Department of Human Services ~~Reaching for the Stars Program~~ Quality Rating and Improvement System or a national accreditation, and

b. allows on-site universal prekindergarten education to be provided to four-year-old children through a

1 contractual agreement with any public school or school
2 district.

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

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

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

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

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

9 71. Sales of food and snack items to or by an organization
10 which is exempt from taxation pursuant to the provisions of the
11 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
12 501(c) (3), whose primary and principal purpose is providing funding
13 for scholarships in the medical field;

14 72. Sales of tangible personal property or services for use
15 solely on construction projects for organizations which are exempt
16 from taxation pursuant to the provisions of the Internal Revenue
17 Code of 1986, as amended, 26 U.S.C., Section 501(c) (3) and whose
18 purpose is providing end-of-life care and access to hospice services
19 to low-income individuals who live in a facility owned by the
20 organization. The exemption provided by this paragraph applies to
21 sales to the organization as well as to sales to any person with
22 whom the organization has duly entered into a construction contract,
23 necessary for carrying out such contract or to any subcontractor to
24 such a construction contract. Any person making purchases on behalf
25

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

10 73. Sales of tickets for admission to events held by
11 organizations exempt from taxation pursuant to the provisions of the
12 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
13 501(c)(3) that are organized for the purpose of supporting general
14 hospitals licensed by the State Department of Health;

15 74. Sales of tangible personal property or services:

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

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

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

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

77. Effective July 1, 2018, sales of tangible personal property or services to or by an association 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)(19) and which is known as the
3 National Guard Association of Oklahoma;

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

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

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

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

19 b. verified with a letter from the ~~MIT~~ Fab Foundation as
20 an official member of the Fab Lab Network in
21 compliance with the Fab Charter, and

22 c. able to provide documentation that its primary and
23 principal purpose is to provide community access to
24 advanced 21st century manufacturing and digital

fabrication tools for science, technology, engineering, art and math (STEAM) learning skills, developing inventions, creating and sustaining businesses, and producing personalized products;

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

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

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

82. Effective November 1, 2021, sales of tangible personal property or services to a nonprofit entity, organized pursuant to Oklahoma law before January 1, 2022, 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. 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. For purposes of this paragraph, an entity that expended at least seventy-five percent (75%) of its funds on 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;

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

- a. operates as a part of an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c) (3),
- b. is not accredited by the American Alliance of Museums, and
- c. operates on an annual budget of less than One Million Dollars (\$1,000,000.00);

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

85. Sales of tangible personal property or services to or by a women's veterans organization, and its subchapters in this state, that is exempt from taxation pursuant to the provisions of the

1 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
2 501(c)(19) and is known as the Oklahoma Women Veterans Organization;
3 86. Sales of tangible personal property or services to a
4 nonprofit entity, organized pursuant to Oklahoma law before January
5 1, 2019, exempt from federal income taxation pursuant to Section
6 501(c) of the Internal Revenue Code of 1986, as amended, the
7 principal functions of which are to provide assistance to natural
8 persons following a disaster, with program emphasis on repair or
9 restoration to single-family residential dwellings or the
10 construction of a replacement single-family residential dwelling.
11 For purposes of this paragraph, an entity operated exclusively for
12 charitable and educational purposes through the coordination of
13 volunteers for the disaster recovery of homes (as derived from Part
14 III, Statement of Program Services Service Accomplishments, of
15 Internal Revenue Service Form 990) and which offers its services
16 free of charge to disaster survivors statewide who are low income
17 with no or limited means of recovery on their own for the
18 restoration to single-family housing following a disaster including
19 related general and administrative expenses, shall be eligible for
20 the exemption authorized by this paragraph. The exemption provided
21 by this paragraph shall only be applicable to sales made on or after
22 July 1, 2022. As used in this paragraph, "disaster" means damage to
23 property with or without accompanying injury to persons from heavy
24 rain, high winds, tornadic winds, drought, wildfire, snow, ice,
25

1 geologic disturbances, explosions, chemical accidents or spills and
2 other events causing damage to property on a large scale;

3 87. Effective July 1, 2022, sales of tangible personal property
4 or services 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) and which provides support to
7 veterans, active duty members of the Armed Forces, reservists, and
8 members of the National Guard to assist with the transition to
9 civilian life and which provides documentation to the Oklahoma Tax
10 Commission that over seventy percent (70%) of its revenue is
11 expended on support for transition to civilian life; and

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

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

17 b. provides documentation to the Oklahoma Tax Commission
18 showing the organization's principal purpose is to
19 provide school supplies or articles of clothing for
20 underserved students attending grades prekindergarten
21 through twelve at public schools in this state.

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