

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 3916

By: Dollens

6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2021, Section 1356, as last amended by Section  
9 1, Chapter 392, O.S.L. 2025 (68 O.S. Supp. 2025,  
10 Section 1356), which relates to sales tax exemptions  
11 for governmental and nonprofit entities; prohibiting  
12 exemption for certain entity if they charge any  
13 patient insured under a commercial health insurance  
14 policy a certain amount over what the federal  
15 government charges under Medicare; amending 68 O.S.  
16 2021, Section 2359, which relates to organizations  
17 exempt from income taxation; prohibiting exemption  
18 for certain entity if they charge any patient insured  
under a commercial health insurance policy a certain  
amount over what the federal government charges under  
Medicare; amending 68 O.S. 2021, Section 2887, as  
amended by Section 1, Chapter 260, O.S.L. 2023 (68  
O.S. Supp. 2025, Section 2887), which relates to  
exemptions from ad valorem taxation; prohibiting  
exemption for certain entity if they charge any  
patient insured under a commercial health insurance  
policy a certain amount over what the federal  
government charges under Medicare; and providing an  
effective date.

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

22 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1356, as

23 last amended by Section 1, Chapter 392, O.S.L. 2025 (68 O.S. Supp.  
24 2025, Section 1356), is amended to read as follows:

1           Section 1356. Exemptions - Governmental and nonprofit entities.

2           There are hereby specifically exempted from the tax levied by

3 Section 1350 et seq. of this title:

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

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

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

22           4. Sales made directly by county, district, or state fair  
23 authorities of this state, upon the premises of the fair authority,  
24 for the sole benefit of the fair authority or sales of admission

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

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

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

24

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

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

1 of servicing or aiding in the servicing of debt incurred by the  
2 college or university to effect the capital improvements  
3 hereinbefore described;

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

7 10. Sale of tangible personal property or services to any  
8 county, municipality, rural water district, public school district,  
9 city-county library system, the institutions of The Oklahoma State  
10 System of Higher Education, the Grand River Dam Authority, the  
11 Northeast Oklahoma Public Facilities Authority, the Oklahoma  
12 Municipal Power Authority, City of Tulsa-Rogers County Port  
13 Authority, Muskogee City-County Port Authority, the Oklahoma  
14 Department of Veterans Affairs, the Broken Bow Economic Development  
15 Authority, Ardmore Development Authority, Durant Industrial  
16 Authority, Oklahoma Ordnance Works Authority, Central Oklahoma  
17 Master Conservancy District, Arbuckle Master Conservancy District,  
18 Fort Cobb Reservoir Master Conservancy District, Foss Reservoir  
19 Master Conservancy District, Mountain Park Master Conservancy  
20 District, Waurika Lake Master Conservancy District and the Office of  
21 Management and Enterprise Services only when carrying out a public  
22 construction contract on behalf of the Oklahoma Department of  
23 Veterans Affairs, and effective July 1, 2022, the University  
24 Hospitals Trust, or to any person with whom any of the above-named

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

15       11. Sales of tangible personal property or services to private  
16 institutions of higher education and private elementary and  
17 secondary institutions of education accredited by the State  
18 Department of Education or registered by the State Board of  
19 Education for purposes of participating in federal programs or  
20 accredited as defined by the Oklahoma State Regents for Higher  
21 Education which are exempt from taxation pursuant to the provisions  
22 of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section  
23 501(c) (3) including materials, supplies, and equipment used in the  
24

1 construction and improvement of buildings and other structures owned  
2 by the institutions and operated for educational purposes.

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

8 12. Tuition and educational fees paid to private institutions  
9 of higher education and private elementary and secondary  
10 institutions of education accredited by the State Department of  
11 Education or registered by the State Board of Education for purposes  
12 of participating in federal programs or accredited as defined by the  
13 Oklahoma State Regents for Higher Education which are exempt from  
14 taxation pursuant to the provisions of the Internal Revenue Code of  
15 1986, as amended, 26 U.S.C., Section 501(c)(3);

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

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

- (6) a parent-teacher association or organization other than as specified in subparagraph b of this paragraph, or
- (7) public or private school personnel for purposes of raising funds for the benefit of a public or private school, public school district, public or private school board, or public or private school 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:

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

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

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

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

22                   17. Sales of tangible personal property or services to fire  
23                   departments organized pursuant to Section 592 of Title 18 of the  
24                   Oklahoma Statutes, which items are to be used for the purposes of

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

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

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

3       20. Sales of tangible personal property or services to any Boys  
4 & Girls Clubs of America affiliate in this state which is not  
5 affiliated with the Salvation Army and 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)(3);

8       21. Sales of tangible personal property or services to any  
9 organization, which takes court-adjudicated juveniles for purposes  
10 of rehabilitation, and which is exempt from taxation pursuant to the  
11 provisions of the Internal Revenue Code of 1986, as amended, 26  
12 U.S.C., Section 501(c)(3), provided that at least fifty percent  
13 (50%) of the juveniles served by such organization are court  
14 adjudicated and the organization receives state funds in an amount  
15 less than ten percent (10%) of the annual budget of the  
16 organization;

17       22. Sales of tangible personal property or services to:  
18           a. any health center as defined in Section 254b of Title  
19                   42 of the United States Code,  
20           b. any clinic receiving disbursements of state monies  
21                   from the Indigent Health Care Revolving Fund pursuant  
22                   to the provisions of Section 66 of Title 56 of the  
23                   Oklahoma Statutes,

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

3                   (1) provides primary care services at no cost to the  
4                   recipient, and  
5                   (2) is exempt from taxation pursuant to the  
6                   provisions of Section 501(c) (3) of the Internal  
7                   Revenue Code of 1986, as amended, 26 U.S.C.,  
8                   Section 501(c) (3), and

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

11                   This exemption shall not apply to the entities provided for in

12                   subparagraphs a through d of this paragraph if they charge any  
13                   patient insured under a commercial health insurance policy an amount  
14                   exceeding two hundred percent (200%) of the Medicare reimbursement  
15                   rate for the same service or substantially equivalent service as  
16                   published by the Centers for Medicare and Medicaid Services for the  
17                   applicable geographic region;

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

23                   24. The first Fifteen Thousand Dollars (\$15,000.00) each year  
24                   from sales of tangible personal property or services to or by a

1 cultural organization established to sponsor and promote  
2 educational, charitable, and cultural events for disadvantaged  
3 children, and which organization is exempt from taxation pursuant to  
4 the provisions of the Internal Revenue Code of 1986, as amended, 26  
5 U.S.C., Section 501(c)(3);

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

19 26. Sales of tickets for admission by any museum accredited by  
20 the American Alliance of Museums. In order to be eligible for the  
21 exemption provided by this paragraph, an amount equivalent to the  
22 amount of the tax which would otherwise be required to be collected  
23 pursuant to the provisions of Section 1350 et seq. of this title  
24 shall be separately stated on the admission ticket and shall be

1 collected and used for the sole purpose of servicing or aiding in  
2 the servicing of debt incurred by the museum to effect the  
3 construction, enlarging or renovation of any facility to be used for  
4 entertainment, edification, or cultural cultivation to which entry  
5 is gained with a paid admission ticket;

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

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

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

16 30. a. Until July 1, 2022, transfer of tangible personal  
17 property made pursuant to Section 3226 of Title 63 of  
18 the Oklahoma Statutes by the University Hospitals  
19 Trust, and

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

22 (1) the University Hospitals Trust created pursuant  
23 to Section 3224 of Title 63 of the Oklahoma  
24 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;

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

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

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

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

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

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

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

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

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

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

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

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

15       41. Sales of tangible personal property or services for use on  
16 campus or school construction projects for the benefit of  
17 institutions of The Oklahoma State System of Higher Education,  
18 private institutions of higher education accredited by the Oklahoma  
19 State Regents for Higher Education, or any public school or school  
20 district when such projects are financed by or through the use of  
21 nonprofit entities which are 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)(3);

24

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

11       43. Sales of tangible personal property or services 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. is affiliated with a comprehensive university within  
17                   The Oklahoma State System of Higher Education, and
- 18           c. has been organized primarily for the purpose of  
19                   providing education and teacher training and  
20                   conducting events relating to robotics;

21       44. The first Fifteen Thousand Dollars (\$15,000.00) each year  
22 from sales of tangible personal property to or by youth athletic  
23 teams which are part of an athletic organization exempt from  
24 taxation pursuant to the provisions of the Internal Revenue Code of

1 1986, as amended, 26 U.S.C., Section 501(c)(4), for the purposes of  
2 raising funds for the benefit of the team;

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

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

15 47. Sales of tangible personal property or services to  
16 organizations which are exempt from federal taxation pursuant to the  
17 provisions of Section 501(c)(3) of the Internal Revenue Code of  
18 1986, as amended, 26 U.S.C., Section 501(c)(3), the memberships of  
19 which are limited to honorably discharged veterans, and which  
20 furnish financial support to area veterans' organizations to be used  
21 for the purpose of constructing a memorial or museum;

22 48. Sales of tangible personal property or services on or after  
23 January 1, 2003, to an organization which is exempt from taxation  
24 pursuant to the provisions of the Internal Revenue Code of 1986, as

1 | amended, 26 U.S.C., Section 501(c)(3) that is expending monies  
2 | received from a private foundation grant in conjunction with  
3 | expenditures of local sales tax revenue to construct a local public  
4 | library;

5 |       49. Sales of tangible personal property or services to a state  
6 | that borders this state or any political subdivision of that state,  
7 | but only to the extent that the other state or political subdivision  
8 | exempts or does not impose a tax on similar sales of items to this  
9 | state or a political subdivision of this state;

10 |       50. Effective July 1, 2005, sales of tangible personal property  
11 | or services to the career technology student organizations under the  
12 | direction and supervision of the Oklahoma Department of Career and  
13 | Technology Education;

14 |       51. Sales of tangible personal property to a public trust  
15 | having either a single city, town or county or multiple cities,  
16 | towns or counties, or combination thereof as beneficiary or  
17 | beneficiaries or a nonprofit organization which is exempt from  
18 | taxation pursuant to the provisions of the Internal Revenue Code of  
19 | 1986, as amended, 26 U.S.C., Section 501(c)(3) for the purpose of  
20 | constructing improvements to or expanding a hospital or nursing home  
21 | owned and operated by any such public trust or nonprofit entity  
22 | prior to July 1, 2008, in counties with a population of less than  
23 | one hundred thousand (100,000) persons, according to the most recent  
24 | Federal Decennial Census. As used in this paragraph, "constructing

1 improvements to or expanding" shall not mean any expense for routine  
2 maintenance or general repairs and shall require a project cost of  
3 at least One Hundred Thousand Dollars (\$100,000.00). For purposes  
4 of this paragraph, sales made to a contractor or subcontractor that  
5 enters into a contractual relationship with a public trust or  
6 nonprofit entity as described by this paragraph shall be considered  
7 sales made to the public trust or nonprofit entity. The exemption  
8 authorized by this paragraph shall be administered in the form of a  
9 refund from the sales tax revenues apportioned pursuant to Section  
10 1353 of this title and the vendor shall be required to collect the  
11 sales tax otherwise applicable to the transaction. The purchaser  
12 may apply for a refund of the sales tax paid in the manner  
13 prescribed by this paragraph. Within thirty (30) days after the end  
14 of each fiscal year, any purchaser that is entitled to make  
15 application for a refund based upon the exempt treatment authorized  
16 by this paragraph may file an application for refund of the sales  
17 taxes paid during such preceding fiscal year. The Oklahoma Tax  
18 Commission shall prescribe a form for purposes of making the  
19 application for refund. The Tax Commission shall determine whether  
20 or not the total amount of sales tax exemptions claimed by all  
21 purchasers is equal to or less than Six Hundred Fifty Thousand  
22 Dollars (\$650,000.00). If such claims are less than or equal to  
23 that amount, the Tax Commission shall make refunds to the purchasers  
24 in the full amount of the documented and verified sales tax amounts.

1 If such claims by all purchasers are in excess of Six Hundred Fifty  
2 Thousand Dollars (\$650,000.00), the Tax Commission shall determine  
3 the amount of each purchaser's claim, the total amount of all claims  
4 by all purchasers, and the percentage each purchaser's claim amount  
5 bears to the total. The resulting percentage determined for each  
6 purchaser shall be multiplied by Six Hundred Fifty Thousand Dollars  
7 (\$650,000.00) to determine the amount of refundable sales tax to be  
8 paid to each purchaser. The pro rata refund amount shall be the  
9 only method to recover sales taxes paid during the preceding fiscal  
10 year and no balance of any sales taxes paid on a pro rata basis  
11 shall be the subject of any subsequent refund claim pursuant to this  
12 paragraph;

13 52. Effective July 1, 2006, sales of tangible personal property  
14 or services to any organization which assists, trains, educates, and  
15 provides housing for physically and mentally disabled persons and  
16 which is exempt from taxation pursuant to the provisions of the  
17 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section  
18 501(c) (3) and that receives at least eighty-five percent (85%) of  
19 its annual budget from state or federal funds. In order to receive  
20 the benefit of the exemption authorized by this paragraph, the  
21 taxpayer shall be required to make payment of the applicable sales  
22 tax at the time of sale to the vendor in the manner otherwise  
23 required by law. Notwithstanding any other provision of the Uniform  
24 Tax Procedure Code to the contrary, the taxpayer shall be authorized

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

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

24

1 application to the Oklahoma Tax Commission for the exemption after  
2 March 29, 2006;

3       54. Sales of tangible personal property to a nonprofit  
4 organization, exempt from taxation pursuant to the provisions of the  
5 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section  
6 501(c) (3), organized primarily for the purpose of providing services  
7 to homeless persons during the day and located in a metropolitan  
8 area with a population in excess of five hundred thousand (500,000)  
9 persons according to the latest Federal Decennial Census. The  
10 exemption authorized by this paragraph shall be applicable to sales  
11 of tangible personal property to a qualified entity occurring on or  
12 after January 1, 2005;

13       55. 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) for events the principal purpose of which  
17 is to provide funding for the preservation of wetlands and habitat  
18 for wild ducks;

19       56. 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 and conservation of wild  
24 turkeys;

1       57. Sales of tangible personal property or services to an  
2 organization which:

3           a. is exempt from taxation pursuant to the provisions of  
4                   the Internal Revenue Code of 1986, as amended, 26  
5                   U.S.C., Section 501(c)(3), and  
6           b. is part of a network of community-based, autonomous  
7                   member organizations that meets the following  
8                   criteria:

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

23       58. Sales of tickets made on or after September 21, 2005, and  
24 complimentary or free tickets for admission issued on or after

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

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

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

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

1 organization shall be required to provide proof to the Oklahoma Tax  
2 Commission of its membership status in the membership organization;

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

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

13       64. Sales of tangible personal property or services to or by a  
14 veteran's 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)(19) and which is known as the Veterans of  
17 Foreign Wars of the United States, Oklahoma Chapters;

18       65. Sales of boxes of food by a church or by an organization,  
19 which is exempt from taxation pursuant to the provisions of the  
20 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section  
21 501(c)(3). To qualify under the provisions of this paragraph, the  
22 organization must be organized for the primary purpose of feeding  
23 needy individuals or to encourage volunteer service by requiring

24

1 such service in order to purchase food. These boxes shall only  
2 contain edible staple food items;

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

7 67. Sales of tangible personal property or services used  
8 exclusively for charitable or educational purposes, to or by an  
9 organization 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),
- 13 b. has filed a Not-for-Profit Certificate of  
14 Incorporation in this state, and
- 15 c. is organized for the purpose of:
  - 16 (1) providing training and education to  
17 developmentally disabled individuals,
  - 18 (2) educating the community about the rights,  
19 abilities, and strengths of developmentally  
20 disabled individuals, and
  - 21 (3) promoting unity among developmentally disabled  
22 individuals in their community and geographic  
23 area;

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

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

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

20       For the purposes of this paragraph, sales made to any person,  
21 firm, agency, or entity that has entered previously into a  
22 contractual relationship with a child care center for construction  
23 and improvement of buildings and other structures owned by the child  
24 care center and operated for educational purposes shall be

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

10. a. Sales of tangible personal property to a service organization of mothers who have children who are serving or who have served in the military, which service organization is exempt from taxation pursuant to the provisions of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c)(19) and which is known as the Blue Star Mothers of America, Inc. The exemption provided by this paragraph shall only apply to the purchase of tangible personal property actually sent to United States military personnel overseas who are serving in a combat zone and not to any other tangible personal property purchased by the organization. Provided, this exemption shall not apply to any sales tax levied by a

city, town, county, or any other jurisdiction in this state.

b. The exemption authorized by this paragraph shall be administered in the form of a refund from the sales tax revenues apportioned pursuant to Section 1353 of this title, and the vendor shall be required to collect the sales tax otherwise applicable to the transaction. The purchaser may apply for a refund of the state sales tax paid in the manner prescribed by this paragraph. Within sixty (60) days after the end of each calendar quarter, any purchaser that is entitled to make application for a refund based upon the exempt treatment authorized by this paragraph may file an application for refund of the state sales taxes paid during such preceding calendar quarter.

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

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

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

71. Sales of food and snack items to or by 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), whose primary and principal purpose is providing funding for scholarships in the medical field;

72. Sales of tangible personal property or services for use solely on construction projects for organizations which are 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 whose purpose is providing end-of-life care and access to hospice services to low-income individuals who live in a facility owned by the organization. The exemption provided by this paragraph applies to sales to the organization as well as to sales to any person with whom the organization has duly entered into a construction contract, necessary for carrying out such contract or to any subcontractor to such a construction contract. Any person making purchases on behalf of such organization 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 organization and set out the name of such organization. Any person who wrongfully or erroneously certifies that purchases are for any of the above-named organizations or who otherwise violates this section shall be guilty

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

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

9 74. Sales of tangible personal property or services:

10 a. to a foundation which is exempt from taxation pursuant  
11 to the provisions of the Internal Revenue Code of  
12 1986, as amended, 26 U.S.C., Section 501(c) (3) and  
13 which raises tax-deductible contributions in support  
14 of a wide range of firearms-related public interest  
15 activities of the National Rifle Association of  
16 America and other organizations that defend and foster  
17 Second Amendment rights, and

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

22 75. Sales by an organization or entity which is exempt from  
23 taxation pursuant to the provisions of the Internal Revenue Code of  
24 1986, as amended, 26 U.S.C., Section 501(c) (3) which are related to

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

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

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

21       78. Effective July 1, 2018, sales of tangible personal property  
22 or services to or by an association which is exempt from taxation  
23 pursuant to the provisions of the Internal Revenue Code of 1986, as  
24

1 amended, 26 U.S.C., Section 501(c)(4) and which is known as the  
2 Marine Corps League of Oklahoma;

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

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

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

23 81. Effective November 1, 2021, sales of tangible personal  
24 property or services used solely for construction and remodeling

1 projects to an organization which is exempt from taxation pursuant  
2 to the provisions of the Internal Revenue Code of 1986, as amended,  
3 26 U.S.C., Section 501(c) (3), and which meets the following  
4 requirements:

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

21 82. Effective November 1, 2021, sales of tangible personal  
22 property or services to a nonprofit entity, organized pursuant to  
23 Oklahoma law before January 1, 2022, exempt from federal income  
24 taxation pursuant to Section 501(c) of the Internal Revenue Code of

1 1986, as amended, the principal functions of which are to provide  
2 assistance to natural persons following a disaster, with program  
3 emphasis on repair or restoration to single-family residential  
4 dwellings or the construction of a replacement single-family  
5 residential dwelling. As used in this paragraph, "disaster" means  
6 damage to property with or without accompanying injury to persons  
7 from heavy rain, high winds, tornadic winds, drought, wildfire,  
8 snow, ice, geologic disturbances, explosions, chemical accidents or  
9 spills, and other events causing damage to property on a large  
10 scale. For purposes of this paragraph, an entity that expended at  
11 least seventy-five percent (75%) of its funds on the restoration to  
12 single-family housing following a disaster including related general  
13 and administrative expenses, shall be eligible for the exemption  
14 authorized by this paragraph;

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

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

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

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

19       86. Sales of tangible personal property or services to a  
20 nonprofit entity, organized pursuant to Oklahoma law before January  
21 1, 2019, exempt from federal income taxation pursuant to Section  
22 501(c) of the Internal Revenue Code of 1986, as amended, the  
23 principal functions of which are to provide assistance to natural  
24 persons following a disaster, with program emphasis on repair or

1 restoration to single-family residential dwellings or the  
2 construction of a replacement single-family residential dwelling.  
3 For purposes of this paragraph, an entity operated exclusively for  
4 charitable and educational purposes through the coordination of  
5 volunteers for the disaster recovery of homes (as derived from Part  
6 III, Statement of Program Services, of Internal Revenue Service Form  
7 990) and which offers its services free of charge to disaster  
8 survivors statewide who are low income with no or limited means of  
9 recovery on their own for the restoration to single-family housing  
10 following a disaster including related general and administrative  
11 expenses, shall be eligible for the exemption authorized by this  
12 paragraph. The exemption provided by this paragraph shall only be  
13 applicable to sales made on or after July 1, 2022. As used in this  
14 paragraph, "disaster" means damage to property with or without  
15 accompanying injury to persons from heavy rain, high winds, tornadic  
16 winds, drought, wildfire, snow, ice, geologic disturbances,  
17 explosions, chemical accidents or spills and other events causing  
18 damage to property on a large scale;

19       87. Effective July 1, 2022, sales of tangible personal property  
20 or services to an organization 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)(3) and which provides support to  
23 veterans, active duty members of the Armed Forces, reservists, and  
24 members of the National Guard to assist with the transition to

1 | civilian life and which provides documentation to the Oklahoma Tax  
2 | Commission that over seventy percent (70%) of its revenue is  
3 | expended on support for transition to civilian life; and

4 |       88. Sales of tangible personal property or services to or by an  
5 | organization in this state which:

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

14 |       SECTION 2.       AMENDATORY       68 O.S. 2021, Section 2359, is  
15 | amended to read as follows:

16 |       Section 2359. A. A person or organization exempt from federal  
17 | income taxation under the provisions of the Internal Revenue Code  
18 | shall also be exempt from the tax imposed by Section 2351 et seq. of  
19 | this title in each year in which such person or organization  
20 | satisfies the requirements of the Internal Revenue Code for  
21 | exemption from federal income taxation. If the exemption applicable  
22 | to any person or organization under the provisions of the Internal  
23 | Revenue Code is limited or qualified in any manner, the exemption

1 from taxes imposed by this article shall be limited or qualified in  
2 a similar manner.

3       B. Notwithstanding the provisions of subsection A of this  
4 section, the unrelated business taxable income or other income  
5 subject to tax, as computed under the provisions of the Internal  
6 Revenue Code, of any person or organization exempt from the tax  
7 imposed by Section 2351 et seq. of this title and subject to the tax  
8 imposed on such income by the Internal Revenue Code shall be subject  
9 to the tax which would have been imposed by this act but for the  
10 provisions of subsection A of this section.

11       C. Insurance companies paying, during or for the taxable year,  
12 a tax to this state on gross premium income shall be exempt from the  
13 provisions of this article and the taxes levied thereby.

14       D. Royalty earned by an inventor from products developed and  
15 manufactured in this state shall be exempt from the tax imposed by  
16 Section 2355 of this title for a seven-year period, pursuant to the  
17 provisions of Section 5064.7 of Title 74 of the Oklahoma Statutes.

18       E. Tenants of small business incubators shall be exempt for the  
19 tax imposed by Section 2355 of this title, pursuant to the  
20 provisions of Section 5078 of Title 74 of the Oklahoma Statutes.

21       F. Notwithstanding any other provision of this section, an  
22 organization that operates a hospital otherwise exempt from the tax  
23 under subsection A of this section shall not be exempt if such  
24 hospital charges any patient insured under a commercial health

1 insurance policy an amount exceeding two hundred percent (200%) of  
2 the Medicare reimbursement rate for the same service or  
3 substantially equivalent service as published by the Centers for  
4 Medicare and Medicaid Services for the applicable geographic region.

5 SECTION 3. AMENDATORY 68 O.S. 2021, Section 2887, as  
6 amended by Section 1, Chapter 260, O.S.L. 2023 (68 O.S. Supp. 2025,  
7 Section 2887), is amended to read as follows:

8 Section 2887. The following property shall be exempt from ad  
9 valorem taxation:

10 1. All property of the United States, and such property as may  
11 be exempt by reason of treaty stipulations existing at statehood  
12 between the Indians and the United States government, or by reason  
13 of federal laws in effect at statehood, during the time such  
14 treaties or federal laws are in force and effect. In instances  
15 where a federal agency has obtained title to property through  
16 foreclosure, voluntary or involuntary liquidation or bankruptcy,  
17 which was previously subject to ad valorem taxation, the property  
18 may continue to be assessed for ad valorem taxes if such federal  
19 agency has agreed to pay such taxes;

20 2. All property of this state, and of the counties, school  
21 districts, and municipalities of this state, including property  
22 acquired for the use of such entities pursuant to the terms of a  
23 lease-purchase agreement which provides for the passage of title or

1 the release of security interest, if applicable, upon payment of all  
2 rental payments and an additional nominal amount;

3       3. All property of any college or school, provided such  
4 property is devoted exclusively and directly to the appropriate  
5 objects of such college or school within this state and all property  
6 used exclusively for nonprofit schools and colleges;

7       4. The books, papers, furniture and scientific or other  
8 apparatus pertaining to any institution, college or society referred  
9 to in paragraph 3 of this section, and devoted exclusively and  
10 directly for the purpose above contemplated, and the like property  
11 of students in any such institution or college, while such property  
12 is used for the purpose of their education;

13       5. All fraternal orphan homes and other orphan homes;

14       6. All property used for free public libraries, free museums,  
15 public cemeteries, or free public schools;

16       7. All property used exclusively and directly for fraternal or  
17 religious purposes within this state. For purposes of this  
18 paragraph, an exemption based on religious purposes includes real  
19 property owned by a church which allows its premises to be used by  
20 an entity if such entity is not required to make rental payments to  
21 the church, is not required to execute a formal lease agreement with  
22 respect to its occupancy of the church premises and conducts  
23 instruction of children from any or all grades for ages preschool  
24 through twelfth grade, including religious instruction consistent

1 with the doctrines of the church the premises of which are being  
2 used for that purpose. For purposes of this paragraph, a  
3 requirement by a church to be reimbursed by the entity for utility  
4 expenses, janitorial services or similar expenses shall not be a  
5 basis upon which to remove or deny the exempt status of church  
6 property. Exempt status of church property shall not be removed nor  
7 shall church property be allocated between taxable and exempt status  
8 based on the use of church premises by an entity as described by  
9 this paragraph.

10 For purposes of administering the exemption authorized by this  
11 section and in order to determine whether a single family  
12 residential property is used exclusively and directly for fraternal  
13 or religious purposes, the fair cash value of a single family  
14 residential property, for which an exemption is claimed as  
15 authorized by this subsection, in excess of Five Hundred Thousand  
16 Dollars (\$500,000.00) for the applicable assessment year shall not  
17 be exempt from taxation;

18 8. All property of any charitable institution organized or  
19 chartered under the laws of this state as a nonprofit or charitable  
20 institution, provided the net income from such property is used  
21 exclusively within this state for charitable purposes and no part of  
22 such income inures to the benefit of any private stockholder,  
23 including property which is not leased or rented to any person other  
24 than a governmental body, a charitable institution or a member of

1 the general public who is authorized to be a tenant in property  
2 owned by a charitable institution under Section 501(c) (3) of the  
3 Internal Revenue Code and which includes but is not limited to an  
4 institution that either:

5 a. additionally satisfies the income standards set forth  
6 in Internal Revenue Service Revenue Procedure 96-32,  
7 which may be audited by the county assessor of the  
8 applicable county, in addition to other requirements  
9 of this subparagraph, as a condition of obtaining and  
10 maintaining the exemption, if:

11 (1) the property provides residential rental  
12 accommodations regardless of whether services or  
13 meals are provided, and  
14 (2) the property:

15 (a) is occupied as of the applicable January 1  
16 assessment date if the structure is a  
17 single-family dwelling, or  
18 (b) has an average seventy-five percent (75%)  
19 occupancy rate, based upon the total number  
20 of units suitable for occupancy, during the  
21 calendar year preceding the applicable  
22 January 1 assessment date if the property  
23 contains multiple structures suitable for  
24 multi-family housing. The owner of any

1 property subject to the occupancy  
2 requirements prescribed herein shall submit  
3 a report to the county assessor of the  
4 county in which the property is located no  
5 later than December 15 each year regarding  
6 the occupancy rate for the preceding eleven  
7 (11) months. If the report indicates that  
8 the average occupancy rate was less than  
9 seventy-five percent (75%), the county  
10 assessor shall determine the taxable value  
11 of the property for the succeeding  
12 assessment year and the property shall not  
13 be exempt for any subsequent assessment year  
14 unless the average occupancy rate is at  
15 least seventy-five percent (75%) during the  
16 succeeding eleven-month period. Except as  
17 provided in Section 178.6 of Title 60 of the  
18 Oklahoma Statutes, no asset consisting of a  
19 single-family or multi-family dwelling unit  
20 owned by an entity the property of which  
21 would otherwise be exempt pursuant to  
22 subparagraph a of this paragraph shall be  
23 exempt from ad valorem taxation if any such  
24 dwelling unit was improved with or acquired

with any portion of proceeds from the sale of obligations issued by any entity organized pursuant to Section 176 of Title 60 of the Oklahoma Statutes if the interest income derived from such obligations is exempt from federal income tax, or

b. (1) for a facility constructed prior to January 1, 2006, is a continuum of care retirement community providing housing for the aged, licensed under Oklahoma law, owned by a nonprofit entity recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt entity and located in a county with a population of more than five hundred thousand (500,000) according to the latest Federal Decennial Census, and

(2) (a) for a facility in which construction was completed on or after January 1, 2006, is:

- i. a continuum of care retirement community providing housing for the aged, licensed under Oklahoma law,
- ii. owned by a nonprofit entity recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt entity,

iii. located in any county of the state  
regardless of population, or

(b) for a facility other than a facility described by division (1) of subparagraph b of this paragraph and which is partially or fully constructed prior to January 1, 2006, is:

i. owned and occupied on or after January 1, 2006, by an entity that operates a continuum of care retirement community providing housing for the aged,

ii. owned by a nonprofit entity recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt entity, and

iii. is located in any county of the state regardless of population;

9. All property used exclusively and directly for charitable

20 purposes within this state, provided the charity using said property  
21 does not pay any rent or remuneration to the owner thereof unless  
22 the owner is a charitable institution described in Section 501(c)(3)  
23 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), or a

1 veterans' organization described in Section 501(c)(19) of the  
2 Internal Revenue Code, 26 U.S.C., Section 501(c)(19);  
3  
4 10. All property of any hospital established, organized and  
5 operated by any person, partnership, association, organization,  
6 trust, or corporation, as a nonprofit and charitable hospital,  
7 provided the property and net income from such hospital are used  
8 directly, solely, and exclusively within this state for charitable  
9 purposes and that no part of such income shall inure to the benefit  
10 of any individual, person, partner, shareholder, or stockholder, and  
11 provided further that such hospital facilities shall be open to the  
12 public without discrimination as to race, color or creed and  
13 regardless of ability to pay, and that such hospital is licensed and  
14 otherwise complies with the laws of this state relating to the  
15 licensing and regulation of hospitals. This exemption shall not  
16 apply to the entities provided for in this paragraph if they charge  
17 any patient insured under a commercial health insurance policy an  
18 amount exceeding two hundred percent (200%) of the Medicare  
19 reimbursement rate for the same service or substantially equivalent  
20 service as published by the Centers for Medicare and Medicaid  
21 Services for the applicable geographic region;  
22  
23 11. All libraries and office equipment of ministers of the  
24 Gospel actively engaged in ministerial work in the State of  
Oklahoma, where said libraries and office equipment are being used  
by said ministers in their ministerial work, shall be deemed to be

1 used exclusively for religious purposes and are declared to be  
2 within the meaning of the term "religious purposes" as used in  
3 Article X, Section 6 of the Constitution of the State of Oklahoma;

4       12. Household goods, tools, implements and livestock of every  
5 person maintaining a home, not exceeding One Hundred Dollars  
6 (\$100.00) in value or One Thousand Dollars (\$1,000.00) in value if  
7 Article X, Section 6 of the Oklahoma Constitution provides for an  
8 exemption in such amount; and in addition thereto, there shall be  
9 exempt from taxation on personal property the further sum of Two  
10 Hundred Dollars (\$200.00) to all enlisted and commissioned  
11 personnel, whether on active duty or honorably discharged, who  
12 served in the Armed Forces of the United States during:

- 13           a. the Spanish-American War,
- 14           b. the period beginning on April 6, 1917, and ending on  
15                   July 2, 1921,
- 16           c. the period beginning on December 6, 1941, and ending  
17                   on such date as the state of national emergency as  
18                   declared by the President of the United States shall  
19                   cease to exist, or
- 20           d. any other or future period during which a state of  
21                   national emergency shall have been or shall be  
22                   declared to exist by the Congress or the President of  
23                   the United States.

1       All surviving spouses made so by the death of such enlisted or  
2 commissioned personnel, who are bona fide residents of this state,  
3 shall be entitled to the above additional exemption provided in this  
4 paragraph;

5       13. Family portraits;

6       14. All food and fuel provided in kind for the use of the  
7 family not to exceed provisions for one (1) year's time, and all  
8 grain and forage necessary to maintain for one (1) year the  
9 livestock used to provide food for the family. No person from whom  
10 pay is received or expected for board shall be considered a member  
11 of the family within the intent and meaning of this paragraph;

12       15. All growing crops; and

13       16. All game animals, fowl and reptile, which are not being  
14 grown for food or sale and which are kept exclusively for  
15 propagation or exhibition, in private grounds or public parks in  
16 this state.

17       SECTION 4. This act shall become effective November 1, 2026.

19       60-2-14210       AO       12/16/25