

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

HOUSE BILL 3916

By: Dollens

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2021, Section 1356, as last amended by Section 1, Chapter 392, O.S.L. 2025 (68 O.S. Supp. 2025, Section 1356), which relates to sales tax exemptions for governmental and nonprofit entities; 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; amending 68 O.S. 2021, Section 2359, which relates to organizations exempt from income 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; 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.

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

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

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;

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,
- 24

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

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

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

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

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

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

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

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

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,
24

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

1 (2) nonprofit entities which are exempt from taxation
2 pursuant to the provisions of the Internal
3 Revenue Code of 1986, as amended, of the United
4 States, 26 U.S.C., Section 501(c)(3), which have
5 entered into a joint operating agreement with the
6 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:

22 a. the destruction in whole or in part of the satellite
23 or launch vehicle,

24 b. the failure of a launch to occur or be successful, or

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

3 34. The sale, lease, use, storage, consumption, or distribution
4 in this state of any space facility, space propulsion system or
5 space vehicle, satellite, or station of any kind possessing space
6 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;

14 36. The sale, lease, use, storage, consumption, or distribution
15 in this state of tangible personal property meeting the definition
16 of "section 38 property" as defined in Sections 48(a)(1)(A) and
17 (B)(i) of the Internal Revenue Code of 1986, as amended, that is an
18 integral part of and used primarily in support of space flight;
19 however, section 38 property used in support of space flight shall
20 not include general office equipment, any boat, mobile home, motor
21 vehicle, or other vehicle of a class or type required to be
22 registered, licensed, titled or documented in this state or by the
23 United States government, or any other property not specifically
24 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;

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;
24

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 70. a. Sales of tangible personal property to a service
11 organization of mothers who have children who are
12 serving or who have served in the military, which
13 service organization is exempt from taxation pursuant
14 to the provisions of the Internal Revenue Code of
15 1986, as amended, 26 U.S.C., Section 501(c)(19) and
16 which is known as the Blue Star Mothers of America,
17 Inc. The exemption provided by this paragraph shall
18 only apply to the purchase of tangible personal
19 property actually sent to United States military
20 personnel overseas who are serving in a combat zone
21 and not to any other tangible personal property
22 purchased by the organization. Provided, this
23 exemption shall not apply to any sales tax levied by a
24

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

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

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

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
24

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
24

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

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

1 with any portion of proceeds from the sale
2 of obligations issued by any entity
3 organized pursuant to Section 176 of Title
4 60 of the Oklahoma Statutes if the interest
5 income derived from such obligations is
6 exempt from federal income tax, or

7 b. (1) for a facility constructed prior to January 1,
8 2006, is a continuum of care retirement community
9 providing housing for the aged, licensed under
10 Oklahoma law, owned by a nonprofit entity
11 recognized by the Internal Revenue Service as a
12 Section 501(c)(3) tax-exempt entity and located
13 in a county with a population of more than five
14 hundred thousand (500,000) according to the
15 latest Federal Decennial Census, and

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

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

- 1 iii. located in any county of the state
2 regardless of population, or
3 (b) for a facility other than a facility
4 described by division (1) of subparagraph b
5 of this paragraph and which is partially or
6 fully constructed prior to January 1, 2006,
7 is:
8 i. owned and occupied on or after January
9 1, 2006, by an entity that operates a
10 continuum of care retirement community
11 providing housing for the aged,
12 licensed under Oklahoma law,
13 ii. owned by a nonprofit entity recognized
14 by the Internal Revenue Service as a
15 Section 501(c)(3) tax-exempt entity,
16 and
17 iii. is located in any county of the state
18 regardless of population;

19 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
24

1 veterans' organization described in Section 501(c)(19) of the
2 Internal Revenue Code, 26 U.S.C., Section 501(c)(19);

3 10. All property of any hospital established, organized and
4 operated by any person, partnership, association, organization,
5 trust, or corporation, as a nonprofit and charitable hospital,
6 provided the property and net income from such hospital are used
7 directly, solely, and exclusively within this state for charitable
8 purposes and that no part of such income shall inure to the benefit
9 of any individual, person, partner, shareholder, or stockholder, and
10 provided further that such hospital facilities shall be open to the
11 public without discrimination as to race, color or creed and
12 regardless of ability to pay, and that such hospital is licensed and
13 otherwise complies with the laws of this state relating to the
14 licensing and regulation of hospitals. This exemption shall not
15 apply to the entities provided for in this paragraph if they charge
16 any patient insured under a commercial health insurance policy an
17 amount exceeding two hundred percent (200%) of the Medicare
18 reimbursement rate for the same service or substantially equivalent
19 service as published by the Centers for Medicare and Medicaid
20 Services for the applicable geographic region;

21 11. All libraries and office equipment of ministers of the
22 Gospel actively engaged in ministerial work in the State of
23 Oklahoma, where said libraries and office equipment are being used
24 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.

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