

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 4345

By: Moore

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6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2021, Section 1354.27, which relates to sourcing
9 of retail sale or lease or rental for purposes of
10 sale tax; modifying where the sale is sourced to
11 reflect the receipt is the final delivery location
12 designated by the purchaser; modifying definition to
13 state that an intermediate store or warehouse shall
14 satisfy what constitutes the receipt; and providing
15 an effective date.

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

17 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1354.27, is
18 amended to read as follows:

19 Section 1354.27. Sourcing of retail sale or lease or rental.

20 A. The retail sale, excluding lease or rental, of a product
21 shall be sourced as follows:

22 1. When the product is received by the purchaser at a business
23 location of the seller, the sale is sourced to that business
24 location;

2. When the product is not received by the purchaser at a
business location of the seller, the sale is sourced to the location

1 where receipt by the purchaser, or the purchaser's donee, designated
2 as such by the purchaser, occurs, including the location indicated
3 by instructions for delivery to the purchaser or donee, known to the
4 seller. For purposes of this paragraph, the location of receipt
5 shall be the final delivery location designated by the purchaser or
6 the purchaser's donee and shall not be satisfied by any intermediate
7 transfer, possession or delivery to a business location, warehouse,
8 fulfillment center, or other facility of the seller or of a related
9 party prior to delivery to the purchaser or donee. Provided, this
10 subsection shall not apply to florists. All sales by florists shall
11 be sourced to its business location;

12 3. When the provisions of paragraphs 1 and 2 of this subsection
13 do not apply, the sale is sourced to the location indicated by an
14 address for the purchaser that is available from the business
15 records of the seller that are maintained in the ordinary course of
16 the seller's business when use of this address does not constitute
17 bad faith;

18 4. When the provisions of paragraphs 1, 2 and 3 of this
19 subsection do not apply, the sale is sourced to the location
20 indicated by an address for the purchaser obtained during the
21 consummation of the sale, including the address of a purchaser's
22 payment instrument, if no other address is available, when use of
23 this address does not constitute bad faith; and
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1 5. When none of the previous rules of paragraphs 1, 2, 3 and 4
2 of this subsection apply, including the circumstance in which the
3 seller is without sufficient information to apply the previous
4 rules, then the location will be determined by the address from
5 which tangible personal property was shipped, from which the digital
6 good or the computer software delivered electronically was first
7 available for transmission by the seller, or from which the service
8 was provided, disregarding for these purposes any location that
9 merely provided the digital transfer of the product sold. In the
10 case of a sale of mobile telecommunications service that is a
11 prepaid telecommunications service, the location will be that which
12 is associated with the mobile telephone number.

13 B. The lease or rental of tangible personal property, other
14 than property identified in subsection C or D of this section, shall
15 be sourced as follows:

16 1. For a lease or rental that requires recurring periodic
17 payments, the first periodic payment is sourced the same as a retail
18 sale in accordance with the provisions of subsection A of this
19 section. Periodic payments made subsequent to the first payment are
20 sourced to the primary property location for each period covered by
21 the payment. The primary property location shall be as indicated by
22 an address for the property provided by the lessee that is available
23 to the lessor from its records maintained in the ordinary course of
24 business, when use of this address does not constitute bad faith.

1 The property location shall not be altered by intermittent use at
2 different locations, such as use of business property that
3 accompanies employees on business trips and service calls; and

4 2. For a lease or rental that does not require recurring
5 periodic payments, the payment is sourced the same as a retail sale
6 in accordance with the provisions of subsection A of this section.

7 This subsection does not affect the imposition or computation of
8 sales or use tax on leases or rentals based on a lump sum or
9 accelerated basis, or on the acquisition of property for lease.

10 C. The lease or rental of motor vehicles, trailers,
11 semitrailers, or aircraft that do not qualify as transportation
12 equipment, as defined in subsection D of this section, shall be
13 sourced as follows:

14 1. For a lease or rental that requires recurring periodic
15 payments, each periodic payment is sourced to the primary property
16 location. The primary property location shall be as indicated by an
17 address for the property provided by the lessee that is available to
18 the lessor from its records maintained in the ordinary course of
19 business, when use of this address does not constitute bad faith.

20 This location shall not be altered by intermittent use at different
21 locations; and

22 2. For a lease or rental that does not require recurring
23 periodic payments, the payment is sourced the same as a retail sale
24 in accordance with the provisions of subsection A of this section.

1 This subsection does not affect the imposition or computation of
2 sales or use tax on leases or rentals based on a lump sum or
3 accelerated basis, or on the acquisition of property for lease.

4 D. The retail sale, including lease or rental, of
5 transportation equipment shall be sourced the same as a retail sale
6 in accordance with the provisions of subsection A of this section,
7 notwithstanding the exclusion of lease or rental in subsection A of
8 this section. "Transportation equipment" means any of the
9 following:

10 1. Locomotives and railcars that are utilized for the carriage
11 of persons or property in interstate commerce;

12 2. Trucks and truck-tractors with a Gross Vehicle Weight Rating
13 (GVWR) of ten thousand one (10,001) pounds or greater, trailers,
14 semitrailers, or passenger buses that are:

15 a. registered through the International Registration
16 Plan, and

17 b. operated under authority of a carrier authorized and
18 certificated by the United States Department of
19 Transportation or another federal authority to engage
20 in the carriage of persons or property in interstate
21 commerce;

22 3. Aircraft that are operated by air carriers authorized and
23 certificated by the United States Department of Transportation or
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1 another federal or a foreign authority to engage in the carriage of
2 persons or property in interstate or foreign commerce; and

3 4. Containers designed for use on and component parts attached
4 or secured on the items set forth in paragraphs 1, 2 and 3 of this
5 subsection.

6 E. For the purposes of this section, the terms "receive" and
7 "receipt" mean:

- 8 1. Taking possession of tangible personal property;
- 9 2. Making first use of services; or
- 10 3. Taking possession or making first use of digital goods,
11 whichever comes first.

12 The terms "receive" and "receipt" do not include possession by a
13 shipping company on behalf of the purchaser. The terms shall also
14 not include possession, custody, or control of tangible personal
15 property at a business location, warehouse, fulfillment center or
16 other facility of the seller, or of an affiliate or other related
17 party of the seller, prior to delivery to the purchaser or the
18 purchaser's donee at the location designated by the purchaser.

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

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