

Bill Summary
1st Session of the 58th Legislature

| | |
|---------------------|-------------------|
| Bill No.: | SB 406 |
| Version: | CCR |
| Request No.: | |
| Author: | Sen. Rader |
| Date: | 05/22/2023 |

Bill Analysis

SB 406 provides a sales tax exemption to any 501(c)(3) organization that prevents child abuse and neglect through education, treatment, and advocacy, and operates a facility that offers comprehensive community-based services for abused or neglected children from birth through 18 years of age. The organization must provide the Tax Commission with its articles of incorporation, organization by-laws, and a notarized letter from the president or chairman of the organization. This exemption shall apply to materials, supplies, and equipment used in the construction or improvement of buildings and other structures owned by the organization and operated in pursuit of the organization's primary and principal purpose as well as any person with whom the organization has duly entered into a construction contract, necessary for carrying out the contract or to any subcontractor to the construction contract.

The measure also expands the sales tax exemption currently provided to an organization that provide food and other household products to the needy. The expansion allows products or services purchased for the construction of a facility that will be placed in service in 2023 to be exempt from sales tax. The Oklahoma Tax Commission is required to refund the full amount of sales tax paid items that were previously purchased prior to the effective date.

CCR Changes

The Conference Committee Report for SB 406 adds language relating expanding the sales tax exemption to organizations that provide food to the needy. The CCR also restores the title and enacting clause.

Prepared by: Kalen Taylor