

1 **SENATE FLOOR VERSION**

2 March 31, 2021

3 ENGROSSED HOUSE  
4 BILL NO. 1060

By: Boles, Davis, Hill and  
Moore of the House

5 and

6 Paxton of the Senate

7  
8  
9 **An Act relating to sales tax; amending 68 O.S. 2011,  
10 Section 1360, which relates to exemptions for  
11 corporations and partnerships; providing exemption  
12 for specified transfers of tangible personal  
13 property; and providing an effective date.**

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

15 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1360, is  
16 amended to read as follows:

17 Section 1360. Exemptions - Corporations - Partnerships.

18 There are hereby specifically exempted from the tax levied in  
19 ~~this article~~ Section 1350 et seq. of this title:

20 1. The transfer of tangible personal property, as follows:

- 21 a. from one corporation to another corporation pursuant  
22 to a reorganization. As used in this subparagraph the  
23 term "reorganization" means a statutory merger or  
24 consolidation or the acquisition by a corporation of

1 substantially all of the properties of another  
2 corporation when the consideration is solely all or a  
3 part of the voting stock of the acquiring corporation,  
4 or of its parent or subsidiary corporation,

5 b. between wholly owned subsidiaries of a parent company  
6 and between a parent company and its wholly owned  
7 subsidiary,

8 c. in connection with the winding up, dissolution or  
9 liquidation of a corporation only when there is a  
10 distribution in kind to the shareholders of the  
11 property of such corporation,

12 ~~e.~~ d. to a corporation for the purpose of organization of  
13 such corporation where the former owners of the  
14 property transferred are immediately after the  
15 transfer in control of the corporation, and the value  
16 of the stock or securities received by each is  
17 substantially in proportion to the value of such  
18 person's interest in the property transferred by all  
19 the former owners,

20 ~~d.~~ e. to a partnership in the organization of such  
21 partnership if the former owners of the property  
22 transferred are, immediately after the transfer,  
23 members of such partnership and the value of the  
24 interest in the partnership, received by each, is

1 substantially in proportion to the value of such  
2 person's interest in the property transferred by all  
3 former owners,

4 ~~e.~~ f. from a partnership to the members thereof when made in  
5 kind in the dissolution of such partnership,

6 ~~f.~~ g. to a limited liability company in the organization of  
7 the limited liability company if the former owners of  
8 the property transferred are, immediately after the  
9 transfer, members of the limited liability company and  
10 the value of the interest in the limited liability  
11 company received by each is substantially in  
12 proportion to the value of the interest in the  
13 property transferred by all the former owners, and

14 ~~g.~~ h. from a limited liability company to the members  
15 thereof when made in kind in the dissolution of the  
16 limited liability company; and

17 2. Sale of an interest in tangible personal property to a  
18 partner or other person who after such sale owns a joint interest in  
19 such tangible personal property where the Oklahoma Sales or Use Tax  
20 has previously been paid on such tangible personal property.

21 SECTION 2. This act shall become effective November 1, 2021.

22 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
23 March 31, 2021 - DO PASS  
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