

1 ENGROSSED HOUSE  
2 BILL NO. 1682

By: Grego and Hardin (David) of  
the House

3 and

4 Allen and Bullard of the  
5 Senate

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7  
8 [ revenue and taxation - agricultural sales tax  
9 exemptions - effective date -

10 emergency ]

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

15 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1358.1, is  
16 amended to read as follows:

17 Section 1358.1 A. In order to qualify for any exemption  
18 authorized by Section 1358 of this title, at the time of sale, the  
19 person to whom the sale is made shall be required to furnish the  
20 vendor proof of eligibility for the exemption as required by this  
21 section.

22 B. All vendors shall honor the proof of eligibility for sales  
23 tax exemption as authorized by this section and sales to a person  
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1 providing such proof shall be exempt from the tax levied by this  
2 article, Section 1350 et seq. of this title.

3 C. The agricultural exemption permit, the size and design of  
4 which shall be prescribed by the Oklahoma Tax Commission, shall  
5 constitute proof of eligibility for sales tax exemptions authorized  
6 by Section 1358 of this title. The permit shall be obtained by  
7 listing personal property used in farming or ranching by the person  
8 with the county assessor each year as provided by law. If the  
9 assessor determines that the personal property is correctly listed  
10 and assessed for ad valorem taxation and the county treasurer  
11 certifies whether the person has delinquent accounts appearing on  
12 the personal property tax lien docket in the county treasurer's  
13 office, the assessor shall certify the assessment upon a form  
14 prescribed by the Oklahoma Tax Commission. One copy shall be  
15 retained by the assessor, one copy shall be forwarded to the  
16 Oklahoma Tax Commission and one copy shall be given to the person  
17 listing the personal property. Upon verification that the applicant  
18 qualifies for the exemptions authorized by Section 1358 of this  
19 title and that the applicant has no delinquent accounts appearing on  
20 the personal property tax lien docket in the office of the county  
21 treasurer, a permit shall be issued as prescribed by this section.  
22 The permit shall be renewable every three (3) years in the manner  
23 provided by this section.

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1 D. A person who does not otherwise qualify for a permit  
2 pursuant to subsection C of this section, except as provided in  
3 subsection E of this section, shall file with the Oklahoma Tax  
4 Commission an application for an agricultural exemption permit  
5 constituting proof of eligibility for the sales tax exemptions  
6 authorized by Section 1358 of this title, and except as prohibited  
7 by subsection I of this section, setting forth such information as  
8 the Tax Commission may require. The application shall be certified  
9 by the applicant that the applicant is engaged in custom farming  
10 operations or in the business of farming or ranching. If the  
11 applicant is a corporation, the application shall be certified by a  
12 legally constituted officer thereof.

13 E. Except as provided in this subsection, for a person who is a  
14 resident of another state and who is engaged in custom farming  
15 operations in this state, the person shall provide the vendor proof  
16 of residency, the name, address and telephone number of the person  
17 engaging the custom farmer and certification on the face of the  
18 invoice, under the penalty of perjury, that the property purchased  
19 shall be used in agricultural production as proof of eligibility for  
20 the sales tax exemption authorized by Section 1358 of this title.  
21 Any person who is a resident of another state and who is engaged in  
22 custom farming operations in this state and who owns property in  
23 this state, shall obtain proof of eligibility as provided in  
24 subsection C or D of this section.

1 F. If an agricultural exemption permit holder purchases  
2 tangible personal property from a vendor on a regular basis, the  
3 permit holder may furnish the vendor proof of eligibility as  
4 provided for in subsections C and D of this section and the vendor  
5 may subsequently make sales of tangible personal property to the  
6 permit holder without requiring proof of eligibility for each  
7 subsequent sale. Provided, the permit holder shall notify the  
8 vendor of all purchases which are not exempt from sales tax under  
9 the provisions of Section 1358 of this title and remit the  
10 applicable amount of tax thereon. If the permit holder fails to  
11 notify the vendor of purchases not exempt from sales tax, then  
12 sufficient grounds shall exist for the Oklahoma Tax Commission to  
13 cancel the agricultural exemption permit of the permit holder who so  
14 failed to notify the vendor.

15 G. If an out-of-state agricultural exemption permit holder  
16 purchases tangible personal property from a vendor within this state  
17 who is not in the business of shipping the tangible personal  
18 property purchased, then the out-of-state agricultural exemption  
19 permit holder is responsible for providing an export bill of lading  
20 or other documentation to the vendor from whom the tangible personal  
21 property was purchased showing that the point of delivery of such  
22 goods for use and consumption is outside the State of Oklahoma.

23 H. A purchaser who uses an agricultural exemption permit or  
24 provides proof of eligibility pursuant to subsection E of this

1 section to purchase, exempt from sales tax, items not authorized for  
2 exemption under Section 1358 of this title shall be subject to a  
3 penalty in the amount of Five Hundred Dollars (\$500.00).

4 I. The Oklahoma Tax Commission shall not require any person to  
5 provide Schedule F, or a copy of Schedule F, or any equivalent form  
6 prescribed by the Internal Revenue Service, with respect to a  
7 federal income tax return in order to obtain any proof of  
8 eligibility for the exemptions authorized by this section or  
9 pursuant to Section 1358 of this title.

10 SECTION 2. This act shall become effective July 1, 2021.

11 SECTION 3. It being immediately necessary for the preservation  
12 of the public peace, health or safety, an emergency is hereby  
13 declared to exist, by reason whereof this act shall take effect and  
14 be in full force from and after its passage and approval.

15 Passed the House of Representatives the 9th day of March, 2021.

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Presiding Officer of the House  
of Representatives

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Passed the Senate the \_\_\_ day of \_\_\_\_\_, 2021.

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Presiding Officer of the Senate

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