

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 HOUSE BILL 1887

By: Waldron

4  
5  
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2021, Section 1356, which relates to sales tax  
9 exemptions; providing sales tax exemption for certain  
10 nonprofit museum; providing an effective date; and  
11 declaring an emergency.

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

13 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1356, is  
14 amended to read as follows:

15 Section 1356. Exemptions - Governmental and nonprofit entities.

16 There are hereby specifically exempted from the tax levied by  
17 Section 1350 et seq. of this title:

18 1. Sale of tangible personal property or services to the United  
19 States government or to the State of Oklahoma, any political  
20 subdivision of this state or any agency of a political subdivision  
21 of this state; provided, all sales to contractors in connection with  
22 the performance of any contract with the United States government,  
23 State of Oklahoma or any of its political subdivisions shall not be  
24

1 exempted from the tax levied by Section 1350 et seq. of this title,  
2 except as hereinafter provided;

3 2. Sales of property to agents appointed by or under contract  
4 with agencies or instrumentalities of the United States government  
5 if ownership and possession of such property transfers immediately  
6 to the United States government;

7 3. Sales of property to agents appointed by or under contract  
8 with a political subdivision of this state if the sale of such  
9 property is associated with the development of a qualified federal  
10 facility, as provided in the Oklahoma Federal Facilities Development  
11 Act, and if ownership and possession of such property transfers  
12 immediately to the political subdivision or the state;

13 4. Sales made directly by county, district or state fair  
14 authorities of this state, upon the premises of the fair authority,  
15 for the sole benefit of the fair authority or sales of admission  
16 tickets to such fairs or fair events at any location in the state  
17 authorized by county, district or state fair authorities; provided,  
18 the exemption provided by this paragraph for admission tickets to  
19 fair events shall apply only to any portion of the admission price  
20 that is retained by or distributed to the fair authority. As used  
21 in this paragraph, "fair event" shall be limited to an event held on  
22 the premises of the fair authority in conjunction with and during  
23 the time period of a county, district or state fair;

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1           5. Sale of food in cafeterias or lunchrooms of elementary  
2 schools, high schools, colleges or universities which are operated  
3 primarily for teachers and pupils and are not operated primarily for  
4 the public or for profit;

5           6. Dues paid to fraternal, religious, civic, charitable or  
6 educational societies or organizations by regular members thereof,  
7 provided, such societies or organizations operate under what is  
8 commonly termed the lodge plan or system, and provided such  
9 societies or organizations do not operate for a profit which inures  
10 to the benefit of any individual member or members thereof to the  
11 exclusion of other members and dues paid monthly or annually to  
12 privately owned scientific and educational libraries by members  
13 sharing the use of services rendered by such libraries with students  
14 interested in the study of geology, petroleum engineering or related  
15 subjects;

16           7. Sale of tangible personal property or services to or by  
17 churches, except sales made in the course of business for profit or  
18 savings, competing with other persons engaged in the same or a  
19 similar business or sale of tangible personal property or services  
20 by an organization exempt from federal income tax pursuant to  
21 Section 501(c)(3) of the Internal Revenue Code of 1986, as amended,  
22 made on behalf of or at the request of a church or churches if the  
23 sale of such property is conducted not more than once each calendar  
24 year for a period not to exceed three (3) days by the organization

1 and proceeds from the sale of such property are used by the church  
2 or churches or by the organization for charitable purposes;

3 8. The amount of proceeds received from the sale of admission  
4 tickets which is separately stated on the ticket of admission for  
5 the repayment of money borrowed by any accredited state-supported  
6 college or university or any public trust of which a county in this  
7 state is the beneficiary, for the purpose of constructing or  
8 enlarging any facility to be used for the staging of an athletic  
9 event, a theatrical production, or any other form of entertainment,  
10 edification or cultural cultivation to which entry is gained with a  
11 paid admission ticket. Such facilities include, but are not limited  
12 to, athletic fields, athletic stadiums, field houses, amphitheaters  
13 and theaters. To be eligible for this sales tax exemption, the  
14 amount separately stated on the admission ticket shall be a  
15 surcharge which is imposed, collected and used for the sole purpose  
16 of servicing or aiding in the servicing of debt incurred by the  
17 college or university to effect the capital improvements  
18 hereinbefore described;

19 9. Sales of tangible personal property or services to the  
20 council organizations or similar state supervisory organizations of  
21 the Boy Scouts of America, Girl Scouts of U.S.A. and Camp Fire USA;

22 10. Sale of tangible personal property or services to any  
23 county, municipality, rural water district, public school district,  
24 the institutions of The Oklahoma State System of Higher Education,

1 the Grand River Dam Authority, the Northeast Oklahoma Public  
2 Facilities Authority, the Oklahoma Municipal Power Authority, City  
3 of Tulsa-Rogers County Port Authority, Muskogee City-County Port  
4 Authority, the Oklahoma Department of Veterans Affairs, the Broken  
5 Bow Economic Development Authority, Ardmore Development Authority,  
6 Durant Industrial Authority, Oklahoma Ordnance Works Authority,  
7 Central Oklahoma Master Conservancy District, Arbuckle Master  
8 Conservancy District, Fort Cobb Master Conservancy District, Foss  
9 Reservoir Master Conservancy District, Mountain Park Master  
10 Conservancy District, Waurika Lake Master Conservancy District and  
11 the Office of Management and Enterprise Services only when carrying  
12 out a public construction contract on behalf of the Oklahoma  
13 Department of Veterans Affairs or to any person with whom any of the  
14 above-named subdivisions or agencies of this state has duly entered  
15 into a public contract pursuant to law, necessary for carrying out  
16 such public contract or to any subcontractor to such a public  
17 contract. Any person making purchases on behalf of such subdivision  
18 or agency of this state shall certify, in writing, on the copy of  
19 the invoice or sales ticket to be retained by the vendor that the  
20 purchases are made for and on behalf of such subdivision or agency  
21 of this state and set out the name of such public subdivision or  
22 agency. Any person who wrongfully or erroneously certifies that  
23 purchases are for any of the above-named subdivisions or agencies of  
24 this state or who otherwise violates this section shall be guilty of

1 a misdemeanor and upon conviction thereof shall be fined an amount  
2 equal to double the amount of sales tax involved or incarcerated for  
3 not more than sixty (60) days or both;

4 11. Sales of tangible personal property or services to private  
5 institutions of higher education and private elementary and  
6 secondary institutions of education accredited by the State  
7 Department of Education or registered by the State Board of  
8 Education for purposes of participating in federal programs or  
9 accredited as defined by the Oklahoma State Regents for Higher  
10 Education which are exempt from taxation pursuant to the provisions  
11 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) including  
12 materials, supplies and equipment used in the construction and  
13 improvement of buildings and other structures owned by the  
14 institutions and operated for educational purposes.

15 Any person, firm, agency or entity making purchases on behalf of  
16 any institution, agency or subdivision in this state, shall certify  
17 in writing, on the copy of the invoice or sales ticket the nature of  
18 the purchases, and violation of this paragraph shall be a  
19 misdemeanor as set forth in paragraph 10 of this section;

20 12. Tuition and educational fees paid to private institutions  
21 of higher education and private elementary and secondary  
22 institutions of education accredited by the State Department of  
23 Education or registered by the State Board of Education for purposes  
24 of participating in federal programs or accredited as defined by the

1 Oklahoma State Regents for Higher Education which are exempt from  
2 taxation pursuant to the provisions of the Internal Revenue Code, 26  
3 U.S.C., Section 501(c)(3);

4 13. a. Sales of tangible personal property made by:

5 (1) a public school,

6 (2) a private school offering instruction for grade  
7 levels kindergarten through twelfth grade,

8 (3) a public school district,

9 (4) a public or private school board,

10 (5) a public or private school student group or  
11 organization,

12 (6) a parent-teacher association or organization  
13 other than as specified in subparagraph b of this  
14 paragraph, or

15 (7) public or private school personnel for purposes  
16 of raising funds for the benefit of a public or  
17 private school, public school district, public or  
18 private school board or public or private school  
19 student group or organization, or

20 b. Sales of tangible personal property made by or to  
21 nonprofit parent-teacher associations or organizations  
22 exempt from taxation pursuant to the provisions of the  
23 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),  
24 nonprofit local public or private school foundations

1           which solicit money or property in the name of any  
2           public or private school or public school district.

3           The exemption provided by this paragraph for sales made by a  
4 public or private school shall be limited to those public or private  
5 schools accredited by the State Department of Education or  
6 registered by the State Board of Education for purposes of  
7 participating in federal programs. Sale of tangible personal  
8 property in this paragraph shall include sale of admission tickets  
9 and concessions at athletic events;

10          14. Sales of tangible personal property by:

- 11           a. local 4-H clubs,
- 12           b. county, regional or state 4-H councils,
- 13           c. county, regional or state 4-H committees,
- 14           d. 4-H leader associations,
- 15           e. county, regional or state 4-H foundations, and
- 16           f. authorized 4-H camps and training centers.

17          The exemption provided by this paragraph shall be limited to  
18 sales for the purpose of raising funds for the benefit of such  
19 organizations. Sale of tangible personal property exempted by this  
20 paragraph shall include sale of admission tickets;

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



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

7        17. Sales of tangible personal property or services to fire  
8 departments organized pursuant to Section 592 of Title 18 of the  
9 Oklahoma Statutes which items are to be used for the purposes of the  
10 fire department. Any person making purchases on behalf of any such  
11 fire department shall certify, in writing, on the copy of the  
12 invoice or sales ticket to be retained by the vendor that the  
13 purchases are made for and on behalf of such fire department and set  
14 out the name of such fire department. Any person who wrongfully or  
15 erroneously certifies that the purchases are for any such fire  
16 department or who otherwise violates the provisions of this section  
17 shall be deemed guilty of a misdemeanor and upon conviction thereof,  
18 shall be fined an amount equal to double the amount of sales tax  
19 involved or incarcerated for not more than sixty (60) days, or both;

20        18. Complimentary or free tickets for admission to places of  
21 amusement, sports, entertainment, exhibition, display or other  
22 recreational events or activities which are issued through a box  
23 office or other entity which is operated by a state institution of  
24

1 higher education with institutional employees or by a municipality  
2 with municipal employees;

3 19. The first Fifteen Thousand Dollars (\$15,000.00) each year  
4 from sales of tangible personal property by fire departments  
5 organized pursuant to Titles 11, 18 or 19 of the Oklahoma Statutes  
6 for the purposes of raising funds for the benefit of the fire  
7 department. Fire departments selling tangible personal property for  
8 the purposes of raising funds shall be limited to no more than six  
9 (6) days each year to raise such funds in order to receive the  
10 exemption granted by this paragraph;

11 20. Sales of tangible personal property or services to any Boys  
12 & Girls Clubs of America affiliate in this state which is not  
13 affiliated with the Salvation Army and which is exempt from taxation  
14 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,  
15 Section 501(c)(3);

16 21. Sales of tangible personal property or services to any  
17 organization, which takes court-adjudicated juveniles for purposes  
18 of rehabilitation, and which is exempt from taxation pursuant to the  
19 provisions of the Internal Revenue Code, 26 U.S.C., Section  
20 501(c)(3), provided that at least fifty percent (50%) of the  
21 juveniles served by such organization are court adjudicated and the  
22 organization receives state funds in an amount less than ten percent  
23 (10%) of the annual budget of the organization;

24 22. Sales of tangible personal property or services to:

- 1 a. any health center as defined in Section 254b of Title  
2 42 of the United States Code,
- 3 b. any clinic receiving disbursements of state monies  
4 from the Indigent Health Care Revolving Fund pursuant  
5 to the provisions of Section 66 of Title 56 of the  
6 Oklahoma Statutes,
- 7 c. any community-based health center which meets all of  
8 the following criteria:
- 9 (1) provides primary care services at no cost to the  
10 recipient, and
- 11 (2) is exempt from taxation pursuant to the  
12 provisions of Section 501(c)(3) of the Internal  
13 Revenue Code, 26 U.S.C., Section 501(c)(3), and
- 14 d. any community mental health center as defined in  
15 Section 3-302 of Title 43A of the Oklahoma Statutes;

16 23. Dues or fees including free or complimentary dues or fees  
17 which have a value equivalent to the charge that could have  
18 otherwise been made, to YMCAs, YWCAs or municipally-owned recreation  
19 centers for the use of facilities and programs;

20 24. The first Fifteen Thousand Dollars (\$15,000.00) each year  
21 from sales of tangible personal property or services to or by a  
22 cultural organization established to sponsor and promote  
23 educational, charitable and cultural events for disadvantaged  
24 children, and which organization is exempt from taxation pursuant to

1 the provisions of the Internal Revenue Code, 26 U.S.C., Section  
2 501(c)(3);

3 25. Sales of tangible personal property or services to museums  
4 or other entities which have been accredited by the American  
5 Association of Museums. Any person making purchases on behalf of  
6 any such museum or other entity shall certify, in writing, on the  
7 copy of the invoice or sales ticket to be retained by the vendor  
8 that the purchases are made for and on behalf of such museum or  
9 other entity and set out the name of such museum or other entity.  
10 Any person who wrongfully or erroneously certifies that the  
11 purchases are for any such museum or other entity or who otherwise  
12 violates the provisions of this paragraph shall be deemed guilty of  
13 a misdemeanor and, upon conviction thereof, shall be fined an amount  
14 equal to double the amount of sales tax involved or incarcerated for  
15 not more than sixty (60) days, or by both such fine and  
16 incarceration;

17 26. Sales of tickets for admission by any museum accredited by  
18 the American Association of Museums. In order to be eligible for  
19 the exemption provided by this paragraph, an amount equivalent to  
20 the amount of the tax which would otherwise be required to be  
21 collected pursuant to the provisions of Section 1350 et seq. of this  
22 title shall be separately stated on the admission ticket and shall  
23 be collected and used for the sole purpose of servicing or aiding in  
24 the servicing of debt incurred by the museum to effect the

1 construction, enlarging or renovation of any facility to be used for  
2 entertainment, edification or cultural cultivation to which entry is  
3 gained with a paid admission ticket;

4 27. Sales of tangible personal property or services occurring  
5 on or after June 1, 1995, to children's homes which are supported or  
6 sponsored by one or more churches, members of which serve as  
7 trustees of the home;

8 28. Sales of tangible personal property or services to the  
9 organization known as the Disabled American Veterans, Department of  
10 Oklahoma, Inc., and subordinate chapters thereof;

11 29. Sales of tangible personal property or services to youth  
12 camps which are supported or sponsored by one or more churches,  
13 members of which serve as trustees of the organization;

14 30. Transfer of tangible personal property made pursuant to  
15 Section 3226 of Title 63 of the Oklahoma Statutes by the University  
16 Hospitals Trust;

17 31. Sales of tangible personal property or services to a  
18 municipality, county or school district pursuant to a lease or  
19 lease-purchase agreement executed between the vendor and a  
20 municipality, county or school district. A copy of the lease or  
21 lease-purchase agreement shall be retained by the vendor;

22 32. Sales of tangible personal property or services to any  
23 spaceport user, as defined in the Oklahoma Space Industry  
24 Development Act;

1       33. The sale, use, storage, consumption or distribution in this  
2 state, whether by the importer, exporter or another person, of any  
3 satellite or any associated launch vehicle including components of,  
4 and parts and motors for, any such satellite or launch vehicle,  
5 imported or caused to be imported into this state for the purpose of  
6 export by means of launching into space. This exemption provided by  
7 this paragraph shall not be affected by:

- 8           a. the destruction in whole or in part of the satellite
- 9                   or launch vehicle,
- 10          b. the failure of a launch to occur or be successful, or
- 11          c. the absence of any transfer or title to, or possession
- 12                   of, the satellite or launch vehicle after launch;

13       34. The sale, lease, use, storage, consumption or distribution  
14 in this state of any space facility, space propulsion system or  
15 space vehicle, satellite or station of any kind possessing space  
16 flight capacity including components thereof;

17       35. The sale, lease, use, storage, consumption, or distribution  
18 in this state of tangible personal property, placed on or used  
19 aboard any space facility, space propulsion system or space vehicle,  
20 satellite, or station possessing space flight capacity, which is  
21 launched into space, irrespective of whether such tangible property  
22 is returned to this state for subsequent use, storage, or  
23 consumption in any manner;

24

1       36. The sale, lease, use, storage, consumption or distribution  
2 in this state of tangible personal property meeting the definition  
3 of "section 38 property" as defined in Sections 48(a)(1)(A) and  
4 (B)(i) of the Internal Revenue Code of 1986, that is an integral  
5 part of and used primarily in support of space flight; however,  
6 section 38 property used in support of space flight shall not  
7 include general office equipment, any boat, mobile home, motor  
8 vehicle or other vehicle of a class or type required to be  
9 registered, licensed, titled or documented in this state or by the  
10 United States government, or any other property not specifically  
11 suited to supporting space activity. The term "in support of space  
12 flight", for purposes of this paragraph, means the altering,  
13 monitoring, controlling, regulating, adjusting, servicing or  
14 repairing of any space facility, space propulsion systems or space  
15 vehicle, satellite or station possessing space flight capacity  
16 including the components thereof;

17       37. The purchase or lease of machinery and equipment for use at  
18 a fixed location in this state, which is used exclusively in the  
19 manufacturing, processing, compounding or producing of any space  
20 facility, space propulsion system or space vehicle, satellite or  
21 station of any kind possessing space flight capacity. Provided, the  
22 exemption provided for in this paragraph shall not be allowed unless  
23 the purchaser or lessee signs an affidavit stating that the item or  
24 items to be exempted are for the exclusive use designated herein.

1 Any person furnishing a false affidavit to the vendor for the  
2 purpose of evading payment of any tax imposed by Section 1354 of  
3 this title shall be subject to the penalties provided by law. As  
4 used in this paragraph, "machinery and equipment" means "section 38  
5 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the  
6 Internal Revenue Code of 1986, which is used as an integral part of  
7 the manufacturing, processing, compounding or producing of items of  
8 tangible personal property. Such term includes parts and  
9 accessories only to the extent that the exemption thereof is  
10 consistent with the provisions of this paragraph;

11 38. The amount of a surcharge or any other amount which is  
12 separately stated on an admission ticket which is imposed, collected  
13 and used for the sole purpose of constructing, remodeling or  
14 enlarging facilities of a public trust having a municipality or  
15 county as its sole beneficiary;

16 39. Sales of tangible personal property or services which are  
17 directly used in or for the benefit of a state park in this state,  
18 which are made to an organization which is exempt from taxation  
19 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,  
20 Section 501(c)(3) and which is organized primarily for the purpose  
21 of supporting one or more state parks located in this state;

22 40. The sale, lease or use of parking privileges by an  
23 institution of The Oklahoma State System of Higher Education;

24



1       41. Sales of tangible personal property or services for use on  
2 campus or school construction projects for the benefit of  
3 institutions of The Oklahoma State System of Higher Education,  
4 private institutions of higher education accredited by the Oklahoma  
5 State Regents for Higher Education or any public school or school  
6 district when such projects are financed by or through the use of  
7 nonprofit entities which are exempt from taxation pursuant to the  
8 provisions of the Internal Revenue Code, 26 U.S.C., Section  
9 501(c) (3);

10       42. Sales of tangible personal property or services by an  
11 organization which is exempt from taxation pursuant to the  
12 provisions of the Internal Revenue Code, 26 U.S.C., Section  
13 501(c) (3), in the course of conducting a national championship  
14 sports event, but only if all or a portion of the payment in  
15 exchange therefor would qualify as the receipt of a qualified  
16 sponsorship payment described in Internal Revenue Code, 26 U.S.C.,  
17 Section 513(i). Sales exempted pursuant to this paragraph shall be  
18 exempt from all Oklahoma sales, use, excise and gross receipts  
19 taxes;

20       43. Sales of tangible personal property or services to or by an  
21 organization which:

22           a. is exempt from taxation pursuant to the provisions of  
23               the Internal Revenue Code, 26 U.S.C., Section  
24               501(c) (3),

- 1           b.    is affiliated with a comprehensive university within  
2                    The Oklahoma State System of Higher Education, and  
3           c.    has been organized primarily for the purpose of  
4                    providing education and teacher training and  
5                    conducting events relating to robotics;

6           44.   The first Fifteen Thousand Dollars (\$15,000.00) each year  
7 from sales of tangible personal property to or by youth athletic  
8 teams which are part of an athletic organization exempt from  
9 taxation pursuant to the provisions of the Internal Revenue Code, 26  
10 U.S.C., Section 501(c)(4), for the purposes of raising funds for the  
11 benefit of the team;

12           45.   Sales of tickets for admission to a collegiate athletic  
13 event that is held in a facility owned or operated by a municipality  
14 or a public trust of which the municipality is the sole beneficiary  
15 and that actually determines or is part of a tournament or  
16 tournament process for determining a conference tournament  
17 championship, a conference championship, or a national championship;

18           46.   Sales of tangible personal property or services to or by an  
19 organization which is exempt from taxation pursuant to the  
20 provisions of the Internal Revenue Code, 26 U.S.C., Section  
21 501(c)(3) and is operating the Oklahoma City National Memorial and  
22 Museum, an affiliate of the National Park System;

23           47.   Sales of tangible personal property or services to  
24 organizations which are exempt from federal taxation pursuant to the

1 provisions of Section 501(c)(3) of the Internal Revenue Code, 26  
2 U.S.C., Section 501(c)(3), the memberships of which are limited to  
3 honorably discharged veterans, and which furnish financial support  
4 to area veterans' organizations to be used for the purpose of  
5 constructing a memorial or museum;

6 48. Sales of tangible personal property or services on or after  
7 January 1, 2003, to an organization which is exempt from taxation  
8 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,  
9 Section 501(c)(3) that is expending monies received from a private  
10 foundation grant in conjunction with expenditures of local sales tax  
11 revenue to construct a local public library;

12 49. Sales of tangible personal property or services to a state  
13 that borders this state or any political subdivision of that state,  
14 but only to the extent that the other state or political subdivision  
15 exempts or does not impose a tax on similar sales of items to this  
16 state or a political subdivision of this state;

17 50. Effective July 1, 2005, sales of tangible personal property  
18 or services to the Career Technology Student Organizations under the  
19 direction and supervision of the Oklahoma Department of Career and  
20 Technology Education;

21 51. Sales of tangible personal property to a public trust  
22 having either a single city, town or county or multiple cities,  
23 towns or counties or combination thereof as beneficiary or  
24 beneficiaries or a nonprofit organization which is exempt from

1 taxation pursuant to the provisions of the Internal Revenue Code, 26  
2 U.S.C., Section 501(c)(3) for the purpose of constructing  
3 improvements to or expanding a hospital or nursing home owned and  
4 operated by any such public trust or nonprofit entity prior to July  
5 1, 2008, in counties with a population of less than one hundred  
6 thousand (100,000) persons, according to the most recent Federal  
7 Decennial Census. As used in this paragraph, "constructing  
8 improvements to or expanding" shall not mean any expense for routine  
9 maintenance or general repairs and shall require a project cost of  
10 at least One Hundred Thousand Dollars (\$100,000.00). For purposes  
11 of this paragraph, sales made to a contractor or subcontractor that  
12 enters into a contractual relationship with a public trust or  
13 nonprofit entity as described by this paragraph shall be considered  
14 sales made to the public trust or nonprofit entity. The exemption  
15 authorized by this paragraph shall be administered in the form of a  
16 refund from the sales tax revenues apportioned pursuant to Section  
17 1353 of this title and the vendor shall be required to collect the  
18 sales tax otherwise applicable to the transaction. The purchaser  
19 may apply for a refund of the sales tax paid in the manner  
20 prescribed by this paragraph. Within thirty (30) days after the end  
21 of each fiscal year, any purchaser that is entitled to make  
22 application for a refund based upon the exempt treatment authorized  
23 by this paragraph may file an application for refund of the sales  
24 taxes paid during such preceding fiscal year. The Tax Commission

1 shall prescribe a form for purposes of making the application for  
2 refund. The Tax Commission shall determine whether or not the total  
3 amount of sales tax exemptions claimed by all purchasers is equal to  
4 or less than Six Hundred Fifty Thousand Dollars (\$650,000.00). If  
5 such claims are less than or equal to that amount, the Tax  
6 Commission shall make refunds to the purchasers in the full amount  
7 of the documented and verified sales tax amounts. If such claims by  
8 all purchasers are in excess of Six Hundred Fifty Thousand Dollars  
9 (\$650,000.00), the Tax Commission shall determine the amount of each  
10 purchaser's claim, the total amount of all claims by all purchasers,  
11 and the percentage each purchaser's claim amount bears to the total.  
12 The resulting percentage determined for each purchaser shall be  
13 multiplied by Six Hundred Fifty Thousand Dollars (\$650,000.00) to  
14 determine the amount of refundable sales tax to be paid to each  
15 purchaser. The pro rata refund amount shall be the only method to  
16 recover sales taxes paid during the preceding fiscal year and no  
17 balance of any sales taxes paid on a pro rata basis shall be the  
18 subject of any subsequent refund claim pursuant to this paragraph;

19 52. Effective July 1, 2006, sales of tangible personal property  
20 or services to any organization which assists, trains, educates, and  
21 provides housing for physically and mentally handicapped persons and  
22 which is exempt from taxation pursuant to the provisions of the  
23 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and that  
24 receives at least eighty-five percent (85%) of its annual budget

1 from state or federal funds. In order to receive the benefit of the  
2 exemption authorized by this paragraph, the taxpayer shall be  
3 required to make payment of the applicable sales tax at the time of  
4 sale to the vendor in the manner otherwise required by law.  
5 Notwithstanding any other provision of the Oklahoma Uniform Tax  
6 Procedure Code to the contrary, the taxpayer shall be authorized to  
7 file a claim for refund of sales taxes paid that qualify for the  
8 exemption authorized by this paragraph for a period of one (1) year  
9 after the date of the sale transaction. The taxpayer shall be  
10 required to provide documentation as may be prescribed by the  
11 Oklahoma Tax Commission in support of the refund claim. The total  
12 amount of sales tax qualifying for exempt treatment pursuant to this  
13 paragraph shall not exceed One Hundred Seventy-five Thousand Dollars  
14 (\$175,000.00) each fiscal year. Claims for refund shall be  
15 processed in the order in which such claims are received by the  
16 Oklahoma Tax Commission. If a claim otherwise timely filed exceeds  
17 the total amount of refunds payable for a fiscal year, such claim  
18 shall be barred;

19 53. The first Two Thousand Dollars (\$2,000.00) each year of  
20 sales of tangible personal property or services to, by, or for the  
21 benefit of a qualified neighborhood watch organization that is  
22 endorsed or supported by or working directly with a law enforcement  
23 agency with jurisdiction in the area in which the neighborhood watch  
24 organization is located. As used in this paragraph, "qualified

1 neighborhood watch organization" means an organization that is a  
2 not-for-profit corporation under the laws of the State of Oklahoma  
3 that was created to help prevent criminal activity in an area  
4 through community involvement and interaction with local law  
5 enforcement and which is one of the first two thousand organizations  
6 which makes application to the Oklahoma Tax Commission for the  
7 exemption after March 29, 2006;

8       54. Sales of tangible personal property to a nonprofit  
9 organization, exempt from taxation pursuant to the provisions of the  
10 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), organized  
11 primarily for the purpose of providing services to homeless persons  
12 during the day and located in a metropolitan area with a population  
13 in excess of five hundred thousand (500,000) persons according to  
14 the latest Federal Decennial Census. The exemption authorized by  
15 this paragraph shall be applicable to sales of tangible personal  
16 property to a qualified entity occurring on or after January 1,  
17 2005;

18       55. Sales of tangible personal property or services to or by an  
19 organization which is exempt from taxation pursuant to the  
20 provisions of the Internal Revenue Code, 26 U.S.C., Section  
21 501(c)(3) for events the principal purpose of which is to provide  
22 funding for the preservation of wetlands and habitat for wild ducks;

23       56. Sales of tangible personal property or services to or by an  
24 organization which is exempt from taxation pursuant to the

1 provisions of the Internal Revenue Code, 26 U.S.C., Section  
2 501(c) (3) for events the principal purpose of which is to provide  
3 funding for the preservation and conservation of wild turkeys;

4 57. Sales of tangible personal property or services to an  
5 organization which:

6 a. is exempt from taxation pursuant to the provisions of  
7 the Internal Revenue Code, 26 U.S.C., Section  
8 501(c) (3), and

9 b. is part of a network of community-based, autonomous  
10 member organizations that meets the following  
11 criteria:

- 12 (1) serves people with workplace disadvantages and  
13 disabilities by providing job training and  
14 employment services, as well as job placement  
15 opportunities and post-employment support,  
16 (2) has locations in the United States and at least  
17 twenty other countries,  
18 (3) collects donated clothing and household goods to  
19 sell in retail stores and provides contract labor  
20 services to business and government, and  
21 (4) provides documentation to the Oklahoma Tax  
22 Commission that over seventy-five percent (75%)  
23 of its revenues are channeled into employment,  
24



1                   job training and placement programs and other  
2                   critical community services;

3           58. Sales of tickets made on or after September 21, 2005, and  
4 complimentary or free tickets for admission issued on or after  
5 September 21, 2005, which have a value equivalent to the charge that  
6 would have otherwise been made, for admission to a professional  
7 athletic event in which a team in the National Basketball  
8 Association is a participant, which is held in a facility owned or  
9 operated by a municipality, a county or a public trust of which a  
10 municipality or a county is the sole beneficiary, and sales of  
11 tickets made on or after July 1, 2007, and complimentary or free  
12 tickets for admission issued on or after July 1, 2007, which have a  
13 value equivalent to the charge that would have otherwise been made,  
14 for admission to a professional athletic event in which a team in  
15 the National Hockey League is a participant, which is held in a  
16 facility owned or operated by a municipality, a county or a public  
17 trust of which a municipality or a county is the sole beneficiary;

18           59. Sales of tickets for admission and complimentary or free  
19 tickets for admission which have a value equivalent to the charge  
20 that would have otherwise been made to a professional sporting event  
21 involving ice hockey, baseball, basketball, football or arena  
22 football, or soccer. As used in this paragraph, "professional  
23 sporting event" means an organized athletic competition between  
24 teams that are members of an organized league or association with

1 centralized management, other than a national league or national  
2 association, that imposes requirements for participation in the  
3 league upon the teams, the individual athletes or both, and which  
4 uses a salary structure to compensate the athletes;

5 60. Sales of tickets for admission to an annual event sponsored  
6 by an educational and charitable organization of women which is  
7 exempt from taxation pursuant to the provisions of the Internal  
8 Revenue Code, 26 U.S.C., Section 501(c)(3) and has as its mission  
9 promoting volunteerism, developing the potential of women and  
10 improving the community through the effective action and leadership  
11 of trained volunteers;

12 61. Sales of tangible personal property or services to an  
13 organization, which is exempt from taxation pursuant to the  
14 provisions of the Internal Revenue Code, 26 U.S.C., Section  
15 501(c)(3), and which is itself a member of an organization which is  
16 exempt from taxation pursuant to the provisions of the Internal  
17 Revenue Code, 26 U.S.C., Section 501(c)(3), if the membership  
18 organization is primarily engaged in advancing the purposes of its  
19 member organizations through fundraising, public awareness or other  
20 efforts for the benefit of its member organizations, and if the  
21 member organization is primarily engaged either in providing  
22 educational services and programs concerning health-related diseases  
23 and conditions to individuals suffering from such health-related  
24 diseases and conditions or their caregivers and family members or

1 support to such individuals, or in health-related research as to  
2 such diseases and conditions, or both. In order to qualify for the  
3 exemption authorized by this paragraph, the member nonprofit  
4 organization shall be required to provide proof to the Oklahoma Tax  
5 Commission of its membership status in the membership organization;

6 62. Sales of tangible personal property or services to or by an  
7 organization which is part of a national volunteer women's service  
8 organization dedicated to promoting patriotism, preserving American  
9 history and securing better education for children and which has at  
10 least 168,000 members in 3,000 chapters across the United States;

11 63. Sales of tangible personal property or services to or by a  
12 YWCA or YMCA organization which is part of a national nonprofit  
13 community service organization working to meet the health and social  
14 service needs of its members across the United States;

15 64. Sales of tangible personal property or services to or by a  
16 veteran's organization which is exempt from taxation pursuant to the  
17 provisions of the Internal Revenue Code, 26 U.S.C., Section  
18 501(c)(19) and which is known as the Veterans of Foreign Wars of the  
19 United States, Oklahoma Chapters;

20 65. Sales of boxes of food by a church or by an organization,  
21 which is exempt from taxation pursuant to the provisions of the  
22 Internal Revenue Code, 26 U.S.C., Section 501(c)(3). To qualify  
23 under the provisions of this paragraph, the organization must be  
24 organized for the primary purpose of feeding needy individuals or to

1 encourage volunteer service by requiring such service in order to  
2 purchase food. These boxes shall only contain edible staple food  
3 items;

4 66. Sales of tangible personal property or services to any  
5 person with whom a church has duly entered into a construction  
6 contract, necessary for carrying out such contract or to any  
7 subcontractor to such a construction contract;

8 67. Sales of tangible personal property or services used  
9 exclusively for charitable or educational purposes, to or by an  
10 organization which:

- 11 a. is exempt from taxation pursuant to the provisions of  
12 the Internal Revenue Code, 26 U.S.C., Section  
13 501(c)(3),
- 14 b. has filed a Not-for-Profit Certificate of  
15 Incorporation in this state, and
- 16 c. is organized for the purpose of:
  - 17 (1) providing training and education to  
18 developmentally disabled individuals,
  - 19 (2) educating the community about the rights,  
20 abilities and strengths of developmentally  
21 disabled individuals, and
  - 22 (3) promoting unity among developmentally disabled  
23 individuals in their community and geographic  
24 area;

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, 26 U.S.C., Section  
5 501(c)(3); provided, until July 1, 2008, such exemption shall apply  
6 only to eligible shelters for children from birth to age twelve (12)  
7 and after July 1, 2008, such exemption shall apply to eligible  
8 shelters for children from birth to age eighteen (18);

9       69. Sales of tangible personal property or services to a child  
10 care center which is licensed pursuant to the Oklahoma Child Care  
11 Facilities Licensing Act and which:

- 12           a. possesses a 3-star rating from the Department of Human  
13           Services Reaching for the Stars Program or a national  
14           accreditation, and
- 15           b. allows on site universal pre-kindergarten education to  
16           be provided to four-year-old children through a  
17           contractual agreement with any public school or school  
18           district.

19       For the purposes of this paragraph, sales made to any person,  
20 firm, agency or entity that has entered previously into a  
21 contractual relationship with a child care center for construction  
22 and improvement of buildings and other structures owned by the child  
23 care center and operated for educational purposes shall be  
24 considered sales made to a child care center. Any such person,

1 firm, agency or entity making purchases on behalf of a child care  
2 center shall certify, in writing, on the copy of the invoice or  
3 sales ticket the nature of the purchase. Any such person, or person  
4 acting on behalf of a firm, agency or entity making purchases on  
5 behalf of a child care center in violation of this paragraph shall  
6 be guilty of a misdemeanor and upon conviction thereof shall be  
7 fined an amount equal to double the amount of sales tax involved or  
8 incarcerated for not more than sixty (60) days or both;

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

24

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

16           c.    A purchaser who applies for a refund pursuant to this  
17                   paragraph shall certify that the items were actually  
18                   sent to military personnel overseas in a combat zone.  
19                   Any purchaser that applies for a refund for the  
20                   purchase of items that are not authorized for  
21                   exemption under this paragraph shall be subject to a  
22                   penalty in the amount of Five Hundred Dollars  
23                   (\$500.00);

1       71. Sales of food and snack items to or by an organization  
2 which is exempt from taxation pursuant to the provisions of the  
3 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), whose primary  
4 and principal purpose is providing funding for scholarships in the  
5 medical field;

6       72. Sales of tangible personal property or services for use  
7 solely on construction projects for organizations which are exempt  
8 from taxation pursuant to the provisions of the Internal Revenue  
9 Code, 26 U.S.C., Section 501(c)(3) and whose purpose is providing  
10 end-of-life care and access to hospice services to low-income  
11 individuals who live in a facility owned by the organization. The  
12 exemption provided by this paragraph applies to sales to the  
13 organization as well as to sales to any person with whom the  
14 organization has duly entered into a construction contract,  
15 necessary for carrying out such contract or to any subcontractor to  
16 such a construction contract. Any person making purchases on behalf  
17 of such organization shall certify, in writing, on the copy of the  
18 invoice or sales ticket to be retained by the vendor that the  
19 purchases are made for and on behalf of such organization and set  
20 out the name of such organization. Any person who wrongfully or  
21 erroneously certifies that purchases are for any of the above-named  
22 organizations or who otherwise violates this section shall be guilty  
23 of a misdemeanor and upon conviction thereof shall be fined an  
24



1 amount equal to double the amount of sales tax involved or  
2 incarcerated for not more than sixty (60) days or both;

3 73. Sales of tickets for admission to events held by  
4 organizations exempt from taxation pursuant to the provisions of the  
5 Internal Revenue Code, 26 U.S.C., Section 501(c) (3) that are  
6 organized for the purpose of supporting general hospitals licensed  
7 by the State Department of Health;

8 74. Sales of tangible personal property or services:

9 a. to a foundation which is exempt from taxation pursuant  
10 to the provisions of the Internal Revenue Code, 26  
11 U.S.C., Section 501(c) (3) and which raises tax-  
12 deductible contributions in support of a wide range of  
13 firearms-related public interest activities of the  
14 National Rifle Association of America and other  
15 organizations that defend and foster Second Amendment  
16 rights, and

17 b. to or by a grassroots fundraising program for sales  
18 related to events to raise funds for a foundation  
19 meeting the qualifications of subparagraph a of this  
20 paragraph;

21 75. Sales by an organization or entity which is exempt from  
22 taxation pursuant to the provisions of the Internal Revenue Code, 26  
23 U.S.C., Section 501(c) (3) which are related to a fundraising event  
24 sponsored by the organization or entity when the event does not

1 exceed any five (5) consecutive days and when the sales are not in  
2 the organization's or the entity's regular course of business.  
3 Provided, the exemption provided in this paragraph shall be limited  
4 to tickets sold for admittance to the fundraising event and items  
5 which were donated to the organization or entity for sale at the  
6 event;

7 76. Effective November 1, 2017, sales of tangible personal  
8 property or services to an organization which is exempt from  
9 taxation pursuant to the provisions of the Internal Revenue Code, 26  
10 U.S.C., Section 501(c)(3) and operates as a collaborative model  
11 which connects community agencies in one location to serve  
12 individuals and families affected by violence and where victims have  
13 access to services and advocacy at no cost to the victim;

14 77. Effective July 1, 2018, sales of tangible personal property  
15 or services to or by an association which is exempt from taxation  
16 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,  
17 Section 501(c)(19) and which is known as the National Guard  
18 Association of Oklahoma;

19 78. Effective July 1, 2018, sales of tangible personal property  
20 or services to or by an association which is exempt from taxation  
21 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,  
22 Section 501(c)(4) and which is known as the Marine Corps League of  
23 Oklahoma;

24

1       79. Sales of tangible personal property or services to the  
2 American Legion, whether the purchase is made by the entity  
3 chartered by the United States Congress or is an entity organized  
4 under the laws of this or another state pursuant to the authority of  
5 the national American Legion organization;

6       80. Sales of tangible personal property or services to or by an  
7 organization which is:

- 8           a. exempt from taxation pursuant to the provisions of the  
9                Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
- 10          b. verified with a letter from the MIT Fab Foundation as  
11                an official member of the Fab Lab Network in  
12                compliance with the Fab Charter, and
- 13          c. able to provide documentation that its primary and  
14                principal purpose is to provide community access to  
15                advanced 21st century manufacturing and digital  
16                fabrication tools for science, technology,  
17                engineering, art and math (STEAM) learning skills,  
18                developing inventions, creating and sustaining  
19                businesses and producing personalized products; and

20       81. Effective November 1, 2021, through December 31, 2024,  
21 sales of tangible personal property or services to a museum that:

- 22           a. operates as a part of an organization which is exempt  
23                from taxation pursuant to the provisions of the  
24                Internal Revenue Code, 26 U.S.C., Section 501(c)(3),

1           b.    is not accredited by the American Alliance of Museums,  
2                    and

3           c.    operates on an annual budget of less than One Million  
4                    Dollars (\$1,000,000.00); and

5           82. Sales of tangible personal property or services to a  
6 nonprofit entity that owns or owns and operates a museum the  
7 principal purpose of which is to educate persons about the history  
8 of aviation, the design and construction of aircraft, the history  
9 and science of rocketry, the history of the United States space  
10 program, the design and construction of vehicles capable of being  
11 placed into an orbit around the Earth or vehicles capable of  
12 escaping Earth's gravity for purposes of gathering information about  
13 the solar system or areas beyond the solar system and which provides  
14 educational information on a variety of topics related to aviation  
15 and either manned or unmanned exploration of space.

16           SECTION 2. This act shall become effective July 1, 2023.

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

21  
22           59-1-5014           AQH           11/07/22  
23  
24