

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 SENATE BILL 1058

By: Bergstrom

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7 AS INTRODUCED

8 An Act relating to sales tax; amending 68 O.S. 2011,
9 Section 1358.1, which relates to agricultural
10 exemptions; modifying requirements for proof of
11 eligibility; and providing an effective date.

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

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

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

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

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

23 D. A person who does not otherwise qualify for a permit
24 pursuant to subsection C of this section, except as provided in

1 subsection E of this section, shall file with the Oklahoma Tax
2 Commission an application for an agricultural exemption permit
3 constituting proof of eligibility for the sales tax exemptions
4 authorized by Section 1358 of this title, setting forth such
5 information as the Tax Commission may require. The application
6 shall be certified by the applicant that the applicant is engaged in
7 custom farming operations or in the business of farming or ranching.
8 If the applicant is a corporation, the application shall be
9 certified by a legally constituted officer thereof.

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

22 F. If an agricultural exemption permit holder purchases
23 tangible personal property from a vendor on a regular basis, the
24 permit holder may furnish the vendor proof of eligibility as

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

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

20 H. A purchaser who uses an agricultural exemption permit or
21 provides proof of eligibility pursuant to subsection E of this
22 section to purchase, exempt from sales tax, items not authorized for
23 exemption under Section 1358 of this title shall be subject to a
24 penalty in the amount of Five Hundred Dollars (\$500.00).

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SECTION 2. This act shall become effective November 1, 2018.

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