

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 SENATE BILL 1490

By: Montgomery

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5
6 AS INTRODUCED

7 An Act relating to sales tax; amending 68 O.S. 2021,
8 Section 1356, as last amended by Section 1, Chapter
9 539, O.S.L. 2021, which relates to exemptions;
10 providing exemption for certain organization that
11 provides service to United States Fish and Wildlife
12 Service; and providing an effective date.

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

13 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1356, as
14 last amended by Section 1, Chapter 539, O.S.L. 2021, is amended to
15 read as follows:

16 Section 1356. Exemptions - Governmental and nonprofit entities.
17 There are hereby specifically exempted from the tax levied by
18 Section 1350 et seq. of this title:

19 1. Sale of tangible personal property or services to the United
20 States government or to ~~the State of Oklahoma~~ this state, any
21 political subdivision of this state, or any agency of a political
22 subdivision of this state; provided, all sales to contractors in
23 connection with the performance of any contract with the United
24 States government, ~~State of Oklahoma~~ this state, or any of its

1 political subdivisions shall not be exempted from the tax levied by
2 Section 1350 et seq. of this title, 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;

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
15 related 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 the U.S.A., and Camp Fire
22 ~~USA~~;

23 10. Sale of tangible personal property or services to any
24 county, municipality, rural water district, public school district,
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1 city-county library system, the institutions of The Oklahoma State
2 System of Higher Education, the Grand River Dam Authority, the
3 Northeast Oklahoma Public Facilities Authority, the Oklahoma
4 Municipal Power Authority, City of Tulsa-Rogers County Port
5 Authority, Muskogee City-County Port Authority, the Oklahoma
6 Department of Veterans Affairs, the Broken Bow Economic Development
7 Authority, Ardmore Development Authority, Durant Industrial
8 Authority, Oklahoma Ordnance Works Authority, Central Oklahoma
9 Master Conservancy District, Arbuckle Master Conservancy District,
10 Fort Cobb Master Conservancy District, Foss Reservoir Master
11 Conservancy District, Mountain Park Master Conservancy District,
12 Waurika Lake Master Conservancy District, the Office of Management
13 and Enterprise Services only when carrying out a public construction
14 contract on behalf of the Oklahoma Department of Veterans Affairs,
15 and effective July 1, 2022, the University Hospitals Trust, or to
16 any person with whom any of the above-named subdivisions or agencies
17 of this state has duly entered into a public contract pursuant to
18 law, necessary for carrying out such public contract or to any
19 subcontractor to such a public contract. Any person making
20 purchases on behalf of such subdivision or agency of this state
21 shall certify, in writing, on the copy of the invoice or sales
22 ticket to be retained by the vendor that the purchases are made for
23 and on behalf of such subdivision or agency of this state and set
24 out the name of such public subdivision or agency. Any person who

1 wrongfully or erroneously certifies that purchases are for any of
2 the above-named subdivisions or agencies of this state or who
3 otherwise violates this section shall be guilty of a misdemeanor and
4 upon conviction thereof shall be fined an amount equal to double the
5 amount of sales tax involved or incarcerated for not more than sixty
6 (60) days or both;

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

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

23 12. Tuition and educational fees paid to private institutions
24 of higher education and private elementary and secondary

1 institutions of education accredited by the State Department of
2 Education or registered by the State Board of Education for purposes
3 of participating in federal programs or accredited as defined by the
4 Oklahoma State Regents for Higher Education which are exempt from
5 taxation pursuant to the provisions of the Internal Revenue Code, 26
6 U.S.C., Section 501(c) (3);

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

8 (1) a public school,

9 (2) a private school offering instruction for grade
10 levels kindergarten through twelfth grade,

11 (3) a public school district,

12 (4) a public or private school board,

13 (5) a public or private school student group or
14 organization,

15 (6) a parent-teacher association or organization
16 other than as specified in subparagraph b of this
17 paragraph, or

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

23 b. Sales of tangible personal property made by or to
24 nonprofit parent-teacher associations or organizations

1 exempt from taxation pursuant to the provisions of the
2 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
3 nonprofit local public or private school foundations
4 which solicit money or property in the name of any
5 public or private school or public school district.

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

13 14. Sales of tangible personal property by:

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

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

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

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

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

1 18. Complimentary or free tickets for admission to places of
2 amusement, sports, entertainment, exhibition, display, or other
3 recreational events or activities which are issued through a box
4 office or other entity which is operated by a state institution of
5 higher education with institutional employees or by a municipality
6 with municipal employees;

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

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

20 21. Sales of tangible personal property or services to any
21 organization, which takes court-adjudicated juveniles for purposes
22 of rehabilitation, and which is exempt from taxation pursuant to the
23 provisions of the Internal Revenue Code, 26 U.S.C., Section
24 501(c) (3), provided that at least fifty percent (50%) of the
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1 juveniles served by such organization are court adjudicated and the
2 organization receives state funds in an amount less than ten percent
3 (10%) of the annual budget of the organization;

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

5 a. any health center as defined in Section 254b of Title
6 42 of the United States Code,

7 b. any clinic receiving disbursements of state monies
8 from the Indigent Health Care Revolving Fund pursuant
9 to the provisions of Section 66 of Title 56 of the
10 Oklahoma Statutes,

11 c. any community-based health center which meets all of
12 the following criteria:

13 (1) provides primary care services at no cost to the
14 recipient, and

15 (2) is exempt from taxation pursuant to the
16 provisions of Section 501(c)(3) of the Internal
17 Revenue Code, 26 U.S.C., Section 501(c)(3), and

18 d. any community mental health center as defined in
19 Section 3-302 of Title 43A of the Oklahoma Statutes;

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

1 24. The first Fifteen Thousand Dollars (\$15,000.00) each year
2 from sales of tangible personal property or services to or by a
3 cultural organization established to sponsor and promote
4 educational, charitable, and cultural events for disadvantaged
5 children, and which organization is exempt from taxation pursuant to
6 the provisions of the Internal Revenue Code, 26 U.S.C., Section
7 501(c) (3);

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

22 26. Sales of tickets for admission by any museum accredited by
23 the American ~~Association~~ Alliance of Museums. In order to be
24 eligible for the exemption provided by this paragraph, an amount

1 equivalent to the amount of the tax which would otherwise be
2 required to be collected pursuant to the provisions of Section 1350
3 et seq. of this title shall be separately stated on the admission
4 ticket and shall be collected and used for the sole purpose of
5 servicing or aiding in the servicing of debt incurred by the museum
6 to effect the construction, enlarging, or renovation of any facility
7 to be used for entertainment, edification, or cultural cultivation
8 to which entry is gained with a paid admission ticket;

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

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

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

19 30. a. Until July 1, 2022, transfer of tangible personal
20 property made pursuant to Section 3226 of Title 63 of
21 the Oklahoma Statutes by the University Hospitals
22 Trust, and

23 b. Effective July 1, 2022, transfer of tangible personal
24 property or services to or by:

1 (1) the University Hospitals Trust created pursuant
2 to Section 3224 of Title 63 of the Oklahoma
3 Statutes, or

4 (2) nonprofit entities which are exempt from taxation
5 pursuant to the provisions of the Internal
6 Revenue Code of the United States, 26 U.S.C.,
7 Section 501(c)(3), which have entered into a
8 joint operating agreement with the University
9 Hospitals Trust;

10 31. Sales of tangible personal property or services to a
11 municipality, county, or school district pursuant to a lease or
12 lease-purchase agreement executed between the vendor and a
13 municipality, county, or school district. A copy of the lease or
14 lease-purchase agreement shall be retained by the vendor;

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

18 33. The sale, use, storage, consumption, or distribution in
19 this state, whether by the importer, exporter, or another person, of
20 any satellite or any associated launch vehicle including components
21 of, and parts and motors for, any such satellite or launch vehicle,
22 imported or caused to be imported into this state for the purpose of
23 export by means of launching into space. This exemption provided by
24 this paragraph shall not be affected by:

- 1 a. the destruction in whole or in part of the satellite
2 or launch vehicle,
3 b. the failure of a launch to occur or be successful, or
4 c. the absence of any transfer or title to, or possession
5 of, the satellite or launch vehicle after launch;

6 34. The sale, lease, use, storage, consumption, or distribution
7 in this state of any space facility, space propulsion system, or
8 space vehicle, satellite, or station of any kind possessing space
9 flight capacity including components thereof;

10 35. The sale, lease, use, storage, consumption, or distribution
11 in this state of tangible personal property, placed on or used
12 aboard any space facility, space propulsion system, or space
13 vehicle, satellite, or station possessing space flight capacity,
14 which is launched into space, irrespective of whether such tangible
15 property is returned to this state for subsequent use, storage, or
16 consumption in any manner;

17 36. The sale, lease, use, storage, consumption, or distribution
18 in this state of tangible personal property meeting the definition
19 of "section 38 property" as defined in Sections 48(a)(1)(A) and
20 (B)(i) of the Internal Revenue Code of 1986, that is an integral
21 part of and used primarily in support of space flight; however,
22 section 38 property used in support of space flight shall not
23 include general office equipment, any boat, mobile home, motor
24 vehicle, or other vehicle of a class or type required to be

1 registered, licensed, titled, or documented in this state or by the
2 United States government, or any other property not specifically
3 suited to supporting space activity. The term "in support of space
4 flight", for purposes of this paragraph, means the altering,
5 monitoring, controlling, regulating, adjusting, servicing, or
6 repairing of any space facility, space propulsion systems, or space
7 vehicle, satellite, or station possessing space flight capacity
8 including the components thereof;

9 37. The purchase or lease of machinery and equipment for use at
10 a fixed location in this state, which is used exclusively in the
11 manufacturing, processing, compounding, or producing of any space
12 facility, space propulsion system, or space vehicle, satellite, or
13 station of any kind possessing space flight capacity. Provided, the
14 exemption provided for in this paragraph shall not be allowed unless
15 the purchaser or lessee signs an affidavit stating that the item or
16 items to be exempted are for the exclusive use designated herein.
17 Any person furnishing a false affidavit to the vendor for the
18 purpose of evading payment of any tax imposed by Section 1354 of
19 this title shall be subject to the penalties provided by law. As
20 used in this paragraph, "machinery and equipment" means "section 38
21 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the
22 Internal Revenue Code of 1986, which is used as an integral part of
23 the manufacturing, processing, compounding, or producing of items of
24 tangible personal property. Such term includes parts and

1 accessories only to the extent that the exemption thereof is
2 consistent with the provisions of this paragraph;

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

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

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

16 41. Sales of tangible personal property or services for use on
17 campus or school construction projects for the benefit of
18 institutions of The Oklahoma State System of Higher Education,
19 private institutions of higher education accredited by the Oklahoma
20 State Regents for Higher Education, or any public school or school
21 district when such projects are financed by or through the use of
22 nonprofit entities which are exempt from taxation pursuant to the
23 provisions of the Internal Revenue Code, 26 U.S.C., Section
24 501(c)(3);

1 42. Sales of tangible personal property or services by an
2 organization which is exempt from taxation pursuant to the
3 provisions of the Internal Revenue Code, 26 U.S.C., Section
4 501(c) (3), in the course of conducting a national championship
5 sports event, but only if all or a portion of the payment in
6 exchange therefor would qualify as the receipt of a qualified
7 sponsorship payment described in Internal Revenue Code, 26 U.S.C.,
8 Section 513(i). Sales exempted pursuant to this paragraph shall be
9 exempt from all Oklahoma sales, use, excise, and gross receipts
10 taxes;

11 43. Sales of tangible personal property or services to or by an
12 organization which:

- 13 a. is exempt from taxation pursuant to the provisions of
14 the Internal Revenue Code, 26 U.S.C., Section
15 501(c) (3),
- 16 b. is affiliated with a comprehensive university within
17 The Oklahoma State System of Higher Education, and
- 18 c. has been organized primarily for the purpose of
19 providing education and teacher training and
20 conducting events relating to robotics;

21 44. The first Fifteen Thousand Dollars (\$15,000.00) each year
22 from sales of tangible personal property to or by youth athletic
23 teams which are part of an athletic organization exempt from
24 taxation pursuant to the provisions of the Internal Revenue Code, 26

1 U.S.C., Section 501(c)(4), for the purposes of raising funds for the
2 benefit of the team;

3 45. Sales of tickets for admission to a collegiate athletic
4 event that is held in a facility owned or operated by a municipality
5 or a public trust of which the municipality is the sole beneficiary
6 and that actually determines or is part of a tournament or
7 tournament process for determining a conference tournament
8 championship, a conference championship, or a national championship;

9 46. Sales of tangible personal property or services to or by an
10 organization which is exempt from taxation pursuant to the
11 provisions of the Internal Revenue Code, 26 U.S.C., Section
12 501(c)(3) and is operating the Oklahoma City National Memorial and
13 Museum, an affiliate of the National Park System;

14 47. Sales of tangible personal property or services to
15 organizations which are exempt from federal taxation pursuant to the
16 provisions of Section 501(c)(3) of the Internal Revenue Code, 26
17 U.S.C., Section 501(c)(3), the memberships of which are limited to
18 honorably discharged veterans, and which furnish financial support
19 to area veterans' organizations to be used for the purpose of
20 constructing a memorial or museum;

21 48. Sales of tangible personal property or services on or after
22 January 1, 2003, to an organization which is exempt from taxation
23 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,
24 Section 501(c)(3) that is expending monies received from a private

1 foundation grant in conjunction with expenditures of local sales tax
2 revenue to construct a local public library;

3 49. Sales of tangible personal property or services to a state
4 that borders this state or any political subdivision of that state,
5 but only to the extent that the other state or political subdivision
6 exempts or does not impose a tax on similar sales of items to this
7 state or a political subdivision of this state;

8 50. Effective July 1, 2005, sales of tangible personal property
9 or services to the Career Technology Student Organizations under the
10 direction and supervision of the Oklahoma Department of Career and
11 Technology Education;

12 51. Sales of tangible personal property to a public trust
13 having either a single city, town or county or multiple cities,
14 towns or counties, or combination thereof as beneficiary or
15 beneficiaries or a nonprofit organization which is exempt from
16 taxation pursuant to the provisions of the Internal Revenue Code, 26
17 U.S.C., Section 501(c)(3) for the purpose of constructing
18 improvements to or expanding a hospital or nursing home owned and
19 operated by any such public trust or nonprofit entity prior to July
20 1, 2008, in counties with a population of less than one hundred
21 thousand (100,000) persons, according to the most recent Federal
22 Decennial Census. As used in this paragraph, "constructing
23 improvements to or expanding" shall not mean any expense for routine
24 maintenance or general repairs and shall require a project cost of

1 at least One Hundred Thousand Dollars (\$100,000.00). For purposes
2 of this paragraph, sales made to a contractor or subcontractor that
3 enters into a contractual relationship with a public trust or
4 nonprofit entity as described by this paragraph shall be considered
5 sales made to the public trust or nonprofit entity. The exemption
6 authorized by this paragraph shall be administered in the form of a
7 refund from the sales tax revenues apportioned pursuant to Section
8 1353 of this title and the vendor shall be required to collect the
9 sales tax otherwise applicable to the transaction. The purchaser
10 may apply for a refund of the sales tax paid in the manner
11 prescribed by this paragraph. Within thirty (30) days after the end
12 of each fiscal year, any purchaser that is entitled to make
13 application for a refund based upon the exempt treatment authorized
14 by this paragraph may file an application for refund of the sales
15 taxes paid during such preceding fiscal year. The Oklahoma Tax
16 Commission shall prescribe a form for purposes of making the
17 application for refund. The Tax Commission shall determine whether
18 or not the total amount of sales tax exemptions claimed by all
19 purchasers is equal to or less than Six Hundred Fifty Thousand
20 Dollars (\$650,000.00). If such claims are less than or equal to
21 that amount, the Tax Commission shall make refunds to the purchasers
22 in the full amount of the documented and verified sales tax amounts.
23 If such claims by all purchasers are in excess of Six Hundred Fifty
24 Thousand Dollars (\$650,000.00), the Tax Commission shall determine

1 the amount of each purchaser's claim, the total amount of all claims
2 by all purchasers, and the percentage each purchaser's claim amount
3 bears to the total. The resulting percentage determined for each
4 purchaser shall be multiplied by Six Hundred Fifty Thousand Dollars
5 (\$650,000.00) to determine the amount of refundable sales tax to be
6 paid to each purchaser. The pro rata refund amount shall be the
7 only method to recover sales taxes paid during the preceding fiscal
8 year and no balance of any sales taxes paid on a pro rata basis
9 shall be the subject of any subsequent refund claim pursuant to this
10 paragraph;

11 52. Effective July 1, 2006, sales of tangible personal property
12 or services to any organization which assists, trains, educates, and
13 provides housing for ~~physically and mentally handicapped~~ persons
14 with disabilities and which is exempt from taxation pursuant to the
15 provisions of the Internal Revenue Code, 26 U.S.C., Section
16 501(c)(3) and that receives at least eighty-five percent (85%) of
17 its annual budget from state or federal funds. In order to receive
18 the benefit of the exemption authorized by this paragraph, the
19 taxpayer shall be required to make payment of the applicable sales
20 tax at the time of sale to the vendor in the manner otherwise
21 required by law. Notwithstanding any other provision of the
22 Oklahoma Uniform Tax Procedure Code to the contrary, the taxpayer
23 shall be authorized to file a claim for refund of sales taxes paid
24 that qualify for the exemption authorized by this paragraph for a

1 period of one (1) year after the date of the sale transaction. The
2 taxpayer shall be required to provide documentation as may be
3 prescribed by the Oklahoma Tax Commission in support of the refund
4 claim. The total amount of sales tax qualifying for exempt
5 treatment pursuant to this paragraph shall not exceed One Hundred
6 Seventy-five Thousand Dollars (\$175,000.00) each fiscal year.
7 Claims for refund shall be processed in the order in which such
8 claims are received by the Oklahoma Tax Commission. If a claim
9 otherwise timely filed exceeds the total amount of refunds payable
10 for a fiscal year, such claim shall be barred;

11 53. The first Two Thousand Dollars (\$2,000.00) each year of
12 sales of tangible personal property or services to, by, or for the
13 benefit of a qualified neighborhood watch organization that is
14 endorsed or supported by or working directly with a law enforcement
15 agency with jurisdiction in the area in which the neighborhood watch
16 organization is located. As used in this paragraph, "qualified
17 neighborhood watch organization" means an organization that is a
18 not-for-profit corporation under the laws of ~~the State of Oklahoma~~
19 this state that was created to help prevent criminal activity in an
20 area through community involvement and interaction with local law
21 enforcement and which is one of the first two thousand organizations
22 which makes application to the Oklahoma Tax Commission for the
23 exemption after March 29, 2006;

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

11 55. Sales of tangible personal property or services to or by an
12 organization which is exempt from taxation pursuant to the
13 provisions of the Internal Revenue Code, 26 U.S.C., Section
14 501(c)(3) for events the principal purpose of which is to provide
15 funding for the preservation of wetlands and habitat for wild ducks;

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

21 57. Sales of tangible personal property or services to an
22 organization which:
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24
25

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

4 b. is part of a network of community-based, autonomous
5 member organizations that meets the following
6 criteria:

7 (1) serves people with workplace disadvantages and
8 disabilities by providing job training and
9 employment services, as well as job placement
10 opportunities and post-employment support,

11 (2) has locations in the United States and at least
12 twenty other countries,

13 (3) collects donated clothing and household goods to
14 sell in retail stores and provides contract labor
15 services to business and government, and

16 (4) provides documentation to the Oklahoma Tax
17 Commission that over seventy-five percent (75%)
18 of its revenues are channeled into employment,
19 job training and placement programs, and other
20 critical community services;

21 58. Sales of tickets made on or after September 21, 2005, and
22 complimentary or free tickets for admission issued on or after
23 September 21, 2005, which have a value equivalent to the charge that
24 would have otherwise been made, for admission to a professional

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

12 59. Sales of tickets for admission and complimentary or free
13 tickets for admission which have a value equivalent to the charge
14 that would have otherwise been made to a professional sporting event
15 involving ice hockey, baseball, basketball, football or arena
16 football, or soccer. As used in this paragraph, "professional
17 sporting event" means an organized athletic competition between
18 teams that are members of an organized league or association with
19 centralized management, other than a national league or national
20 association, that imposes requirements for participation in the
21 league upon the teams, the individual athletes, or both, and which
22 uses a salary structure to compensate the athletes;

23 60. Sales of tickets for admission to an annual event sponsored
24 by an educational and charitable organization of women which is

1 exempt from taxation pursuant to the provisions of the Internal
2 Revenue Code, 26 U.S.C., Section 501(c)(3) and has as its mission
3 promoting volunteerism, developing the potential of women and
4 improving the community through the effective action and leadership
5 of trained volunteers;

6 61. Sales of tangible personal property or services to an
7 organization, which is exempt from taxation pursuant to the
8 provisions of the Internal Revenue Code, 26 U.S.C., Section
9 501(c)(3), and which is itself a member of an organization which is
10 exempt from taxation pursuant to the provisions of the Internal
11 Revenue Code, 26 U.S.C., Section 501(c)(3), if the membership
12 organization is primarily engaged in advancing the purposes of its
13 member organizations through fundraising, public awareness, or other
14 efforts for the benefit of its member organizations, and if the
15 member organization is primarily engaged either in providing
16 educational services and programs concerning health-related diseases
17 and conditions to individuals suffering from such health-related
18 diseases and conditions or their caregivers and family members or
19 support to such individuals, or in health-related research as to
20 such diseases and conditions, or both. In order to qualify for the
21 exemption authorized by this paragraph, the member nonprofit
22 organization shall be required to provide proof to the Oklahoma Tax
23 Commission of its membership status in the membership organization;

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

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

10 64. Sales of tangible personal property or services to or by a
11 veteran's organization which is exempt from taxation pursuant to the
12 provisions of the Internal Revenue Code, 26 U.S.C., Section
13 501(c)(19) and which is known as the Veterans of Foreign Wars of the
14 United States, Oklahoma Chapters;

15 65. Sales of boxes of food by a church or by an organization,
16 which is exempt from taxation pursuant to the provisions of the
17 Internal Revenue Code, 26 U.S.C., Section 501(c)(3). To qualify
18 under the provisions of this paragraph, the organization must be
19 organized for the primary purpose of feeding needy individuals or to
20 encourage volunteer service by requiring such service in order to
21 purchase food. These boxes shall only contain edible staple food
22 items;

23 66. Sales of tangible personal property or services to any
24 person with whom a church has duly entered into a construction
25

1 contract, necessary for carrying out such contract or to any
2 subcontractor to such a construction contract;

3 67. Sales of tangible personal property or services used
4 exclusively for charitable or educational purposes, to or by 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),

9 b. has filed a Not-for-Profit Certificate of
10 Incorporation in this state, and

11 c. is organized for the purpose of:

12 (1) providing training and education to
13 developmentally disabled individuals,

14 (2) educating the community about the rights,
15 abilities, and strengths of developmentally
16 disabled individuals, and

17 (3) promoting unity among developmentally disabled
18 individuals in their community and geographic
19 area;

20 68. Sales of tangible personal property or services to any
21 organization which is a shelter for abused, neglected, or abandoned
22 children and which is exempt from taxation pursuant to the
23 provisions of the Internal Revenue Code, 26 U.S.C., Section
24 501(c)(3); provided, until July 1, 2008, such exemption shall apply

1 only to eligible shelters for children from birth to age twelve (12)
2 and after July 1, 2008, such exemption shall apply to eligible
3 shelters for children from birth to age eighteen (18);

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

- 7 a. possesses a 3-star rating from the Department of Human
8 Services Reaching for the Stars Program or a national
9 accreditation, and
10 b. allows on-site universal prekindergarten education to
11 be provided to four-year-old children through a
12 contractual agreement with any public school or school
13 district.

14 For the purposes of this paragraph, sales made to any person,
15 firm, agency, or entity that has entered previously into a
16 contractual relationship with a child care center for construction
17 and improvement of buildings and other structures owned by the child
18 care center and operated for educational purposes shall be
19 considered sales made to a child care center. Any such person,
20 firm, agency, or entity making purchases on behalf of a child care
21 center shall certify, in writing, on the copy of the invoice or
22 sales ticket the nature of the purchase. Any such person, or person
23 acting on behalf of a firm, agency, or entity making purchases on
24 behalf of a child care center in violation of this paragraph shall

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

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

19 b. The exemption authorized by this paragraph shall be
20 administered in the form of a refund from the sales
21 tax revenues apportioned pursuant to Section 1353 of
22 this title, and the vendor shall be required to
23 collect the sales tax otherwise applicable to the
24 transaction. The purchaser may apply for a refund of

1 the state sales tax paid in the manner prescribed by
2 this paragraph. Within sixty (60) days after the end
3 of each calendar quarter, any purchaser that is
4 entitled to make application for a refund based upon
5 the exempt treatment authorized by this paragraph may
6 file an application for refund of the state sales
7 taxes paid during such preceding calendar quarter.
8 The Tax Commission shall prescribe a form for purposes
9 of making the application for refund.

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

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

23 72. Sales of tangible personal property or services for use
24 solely on construction projects for organizations which are exempt
25

1 from taxation pursuant to the provisions of the Internal Revenue
2 Code, 26 U.S.C., Section 501(c) (3) and whose purpose is providing
3 end-of-life care and access to hospice services to low-income
4 individuals who live in a facility owned by the organization. The
5 exemption provided by this paragraph applies to sales to the
6 organization as well as to sales to any person with whom the
7 organization has duly entered into a construction contract,
8 necessary for carrying out such contract or to any subcontractor to
9 such a construction contract. Any person making purchases on behalf
10 of such organization shall certify, in writing, on the copy of the
11 invoice or sales ticket to be retained by the vendor that the
12 purchases are made for and on behalf of such organization and set
13 out the name of such organization. Any person who wrongfully or
14 erroneously certifies that purchases are for any of the above-named
15 organizations or who otherwise violates this section shall be guilty
16 of a misdemeanor and upon conviction thereof shall be fined an
17 amount equal to double the amount of sales tax involved or
18 incarcerated for not more than sixty (60) days or both;

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

24 74. Sales of tangible personal property or services:
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- 1 a. to a foundation which is exempt from taxation pursuant
2 to the provisions of the Internal Revenue Code, 26
3 U.S.C., Section 501(c) (3) and which raises tax-
4 deductible contributions in support of a wide range of
5 firearms-related public interest activities of the
6 National Rifle Association of America and other
7 organizations that defend and foster Second Amendment
8 rights, and
- 9 b. to or by a grassroots fundraising program for sales
10 related to events to raise funds for a foundation
11 meeting the qualifications of subparagraph a of this
12 paragraph;

13 75. Sales by an organization or entity which is exempt from
14 taxation pursuant to the provisions of the Internal Revenue Code, 26
15 U.S.C., Section 501(c) (3) which are related to a fundraising event
16 sponsored by the organization or entity when the event does not
17 exceed any five (5) consecutive days and when the sales are not in
18 the organization's or the entity's regular course of business.
19 Provided, the exemption provided in this paragraph shall be limited
20 to tickets sold for admittance to the fundraising event and items
21 which were donated to the organization or entity for sale at the
22 event;

23 76. Effective November 1, 2017, sales of tangible personal
24 property or services to an organization which is exempt from
25

1 taxation pursuant to the provisions of the Internal Revenue Code, 26
2 U.S.C., Section 501(c)(3) and operates as a collaborative model
3 which connects community agencies in one location to serve
4 individuals and families affected by violence and where victims have
5 access to services and advocacy at no cost to the victim;

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

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

16 79. Sales of tangible personal property or services to the
17 American Legion, whether the purchase is made by the entity
18 chartered by the United States Congress or is an entity organized
19 under the laws of this or another state pursuant to the authority of
20 the national American Legion organization;

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

- 23 a. exempt from taxation pursuant to the provisions of the
24 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
25

- 1 b. verified with a letter from the MIT Fab Foundation as
2 an official member of the Fab Lab Network in
3 compliance with the Fab Charter, and
4 c. able to provide documentation that its primary and
5 principal purpose is to provide community access to
6 advanced 21st century manufacturing and digital
7 fabrication tools for science, technology,
8 engineering, art and math (STEAM) learning skills,
9 developing inventions, creating and sustaining
10 businesses, and producing personalized products;

11 81. Effective November 1, 2021, sales of tangible personal
12 property or services used solely for construction and remodeling
13 projects to an organization which is exempt from taxation pursuant
14 to the provisions of the Internal Revenue Code, 26 U.S.C., Section
15 501(c) (3), and which meets the following requirements:

- 16 a. its primary purpose is to construct or remodel and
17 sell affordable housing and provide homeownership
18 education to residents of Oklahoma that have an income
19 that is below one hundred percent (100%) of the Family
20 Median Income guidelines as defined by the U.S.
21 Department of Housing and Urban Development,
22 b. it conducts its activities in a manner that serves
23 public or charitable purposes, rather than commercial
24 purposes,

1 c. it receives funding and revenue and charges fees in a
2 manner that does not incentivize it or its employees
3 to act other than in the best interests of its
4 clients, and

5 d. it compensates its employees in a manner that does not
6 incentivize employees to act other than in the best
7 interests of its clients;

8 82. Effective November 1, 2021, sales of tangible personal
9 property or services to a nonprofit entity, organized pursuant to
10 Oklahoma law before January 1, 2022, exempt from federal income
11 taxation pursuant to Section 501(c) of the Internal Revenue Code of
12 1986, as amended, the principal functions of which are to provide
13 assistance to natural persons following a disaster, with program
14 emphasis on repair or restoration to single-family residential
15 dwellings or the construction of a replacement single-family
16 residential dwelling. As used in this paragraph, "disaster" means
17 damage to property with or without accompanying injury to persons
18 from heavy rain, high winds, tornadic winds, drought, wildfire,
19 snow, ice, geologic disturbances, explosions, chemical accidents or
20 spills, and other events causing damage to property on a large
21 scale. For purposes of this paragraph, an entity that expended at
22 least seventy-five percent (75%) of its funds on the restoration to
23 single-family housing following a disaster, including related

1 general and administrative expenses, shall be eligible for the
2 exemption authorized by this paragraph; ~~and~~

3 83. Until July 1, 2022, sales of tangible personal property or
4 services for use in a clinical practice or medical facility operated
5 by an organization which is exempt from taxation pursuant to the
6 provisions of the Internal Revenue Code of the United States, 26
7 U.S.C., Section 501(c)(3), and which has entered into a joint
8 operating agreement with the University Hospitals Trust created
9 pursuant to Section 3224 of Title 63 of the Oklahoma Statutes. The
10 exemption provided by this paragraph shall be limited to the
11 purchase of tangible personal property and services for use in
12 clinical practices or medical facilities acquired or leased by the
13 organization from the University Hospitals Authority, University
14 Hospitals Trust, or the University of Oklahoma on or after June 1,
15 2021; and

16 84. Sales to an organization that is exempt from taxation
17 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,
18 Section 501(c)(3) that assists the United States Fish and Wildlife
19 Service in promoting educational opportunities and provides care for
20 a federally recognized wildlife refuge.

21 SECTION 2. This act shall become effective November 1, 2022.

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