

1 ENGROSSED SENATE
2 BILL NO. 236

By: Standridge of the Senate

3 and

4 Rosecrants of the House

5
6 An Act relating to sales tax exemption; amending 68
7 O.S. 2011, Section 1356, as last amended by Section
8 1, Chapter 413, O.S.L. 2019 (68 O.S. Supp. 2020,
9 Section 1356), which relates to exemptions; exempting
10 certain sales to organization involved in specified
11 philanthropic program; and providing an effective
12 date.

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

13 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1356, as
14 last amended by Section 1, Chapter 413, O.S.L. 2019 (68 O.S. Supp.
15 2020, Section 1356), is amended to 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, any political
21 subdivision of this state or any agency of a political subdivision
22 of this state; provided, all sales to contractors in connection with
23 the performance of any contract with the United States government,
24 State of Oklahoma or any of its political subdivisions shall not be

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;

24

1 5. Sale of food in cafeterias or lunch rooms 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,
11 Office of Management and Enterprise Services only when carrying out
12 a public construction contract on behalf of the Oklahoma Department
13 of Veterans Affairs or to any person with whom any of the above-
14 named subdivisions or agencies of this state has duly entered into a
15 public contract pursuant to law, necessary for carrying out such
16 public contract or to any subcontractor to such a public contract.
17 Any person making purchases on behalf of such subdivision or agency
18 of this state shall certify, in writing, on the copy of the invoice
19 or sales ticket to be retained by the vendor that the purchases are
20 made for and on behalf of such subdivision or agency of this state
21 and set out the name of such public subdivision or agency. Any
22 person who wrongfully or erroneously certifies that purchases are
23 for any of the above-named subdivisions or agencies of this state or
24 who otherwise violates this section shall be guilty of a misdemeanor

1 and upon conviction thereof shall be fined an amount equal to double
2 the amount of sales tax involved or incarcerated for not more than
3 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),
12 including materials, supplies, and equipment used in the
13 construction and improvement of buildings and other structures owned
14 by the 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
2 this state, whether by the importer, exporter, or another person, of
3 any satellite or any associated launch vehicle, including components
4 of, 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;

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;

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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; ~~and~~

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. Sales of articles of clothing to an Oklahoma Chapter of a
21 national 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), and

