

1 STATE OF OKLAHOMA

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

3 SENATE BILL 318

By: Bergstrom

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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  
9 394, O.S.L. 2022 (68 O.S. Supp. 2022, Section 1356),  
10 which relates to exemptions for governmental and  
11 nonprofit entities; modifying procedure for claiming  
12 certain exemption; omitting certain penalty for  
13 claims of unauthorized purchases; updating statutory  
14 language; and providing an effective date.

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

16 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1356, as  
17 last amended by Section 1, Chapter 394, O.S.L. 2022 (68 O.S. Supp.  
18 2022, Section 1356), is amended to read as follows:

19 Section 1356. Exemptions - Governmental and nonprofit entities.

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

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

1 States government, ~~State of Oklahoma~~ this state, or any of its  
2 political subdivisions shall not be exempted from the tax levied by  
3 Section 1350 et seq. of this title, except as hereinafter provided;

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

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

14 4. Sales made directly by county, district, or state fair  
15 authorities of this state, upon the premises of the fair authority,  
16 for the sole benefit of the fair authority or sales of admission  
17 tickets to such fairs or fair events at any location in the state  
18 authorized by county, district, or state fair authorities; provided,  
19 the exemption provided by this paragraph for admission tickets to  
20 fair events shall apply only to any portion of the admission price  
21 that is retained by or distributed to the fair authority. As used  
22 in this paragraph, "fair event" shall be limited to an event held on  
23 the premises of the fair authority in conjunction with and during  
24 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,  
25

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 and the Office of  
13 Management and Enterprise Services only when carrying out a public  
14 construction contract on behalf of the Oklahoma Department of  
15 Veterans Affairs, and effective July 1, 2022, the University  
16 Hospitals Trust, or to any person with whom any of the above-named  
17 subdivisions or agencies of this state has duly entered into a  
18 public contract pursuant to law, necessary for carrying out such  
19 public contract or to any subcontractor to such a public contract.  
20 Any person making purchases on behalf of such subdivision or agency  
21 of this state shall certify, in writing, on the copy of the invoice  
22 or sales ticket to be retained by the vendor that the purchases are  
23 made for and on behalf of such subdivision or agency of this state  
24 and set out the name of such public subdivision or agency. Any

1 person who wrongfully or erroneously certifies that purchases are  
2 for any of the above-named subdivisions or agencies of this state or  
3 who otherwise violates this section shall be guilty of a misdemeanor  
4 and upon conviction thereof shall be fined an amount equal to double  
5 the amount of sales tax involved or incarcerated for not more than  
6 sixty (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  
25

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 vehicle,  
13 satellite, or station possessing space flight capacity, which is  
14 launched into space, irrespective of whether such tangible property  
15 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 Tax Commission  
16 shall prescribe a form for purposes of making the application for  
17 refund. The Tax Commission shall determine whether or not the total  
18 amount of sales tax exemptions claimed by all purchasers is equal to  
19 or less than Six Hundred Fifty Thousand Dollars (\$650,000.00). If  
20 such claims are less than or equal to that amount, the Tax  
21 Commission shall make refunds to the purchasers in the full amount  
22 of the documented and verified sales tax amounts. If such claims by  
23 all purchasers are in excess of Six Hundred Fifty Thousand Dollars  
24 (\$650,000.00), the Tax Commission shall determine the amount of each

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

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

20 Notwithstanding any other provision of the Oklahoma Uniform Tax  
21 Procedure Code to the contrary, the taxpayer shall be authorized to  
22 file a claim for refund of sales taxes paid that qualify for the  
23 exemption authorized by this paragraph for a period of one (1) year  
24 after the date of the sale transaction. The taxpayer shall be

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

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

23 54. Sales of tangible personal property to a nonprofit  
24 organization, exempt from taxation pursuant to the provisions of the  
25

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

9 55. 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) for events the principal purpose of which is to provide  
13 funding for the preservation of wetlands and habitat for wild ducks;

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

19 57. Sales of tangible personal property or services to an  
20 organization which:

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



1           b.    is part of a network of community-based, autonomous  
2           member organizations that meets the following  
3           criteria:

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

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

10          (3)   collects donated clothing and household goods to  
11          sell in retail stores and provides contract labor  
12          services to business and government, and

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

18          58.   Sales of tickets made on or after September 21, 2005, and  
19          complimentary or free tickets for admission issued on or after  
20          September 21, 2005, which have a value equivalent to the charge that  
21          would have otherwise been made, for admission to a professional  
22          athletic event in which a team in the National Basketball  
23          Association is a participant, which is held in a facility owned or  
24          operated by a municipality, a county, or a public trust of which a

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

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

20 60. Sales of tickets for admission to an annual event sponsored  
21 by an educational and charitable organization of women which is  
22 exempt from taxation pursuant to the provisions of the Internal  
23 Revenue Code, 26 U.S.C., Section 501(c)(3) and has as its mission  
24 promoting volunteerism, developing the potential of women, and

1 improving the community through the effective action and leadership  
2 of trained volunteers;

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

21 62. Sales of tangible personal property or services to or by an  
22 organization which is part of a national volunteer women's service  
23 organization dedicated to promoting patriotism, preserving American  
24

1 history, and securing better education for children and which has at  
2 least 168,000 members in 3,000 chapters across the United States;

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

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

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

20 66. Sales of tangible personal property or services to any  
21 person with whom a church has duly entered into a construction  
22 contract, necessary for carrying out such contract or to any  
23 subcontractor to such a construction contract;

1           67. Sales of tangible personal property or services used  
2 exclusively for charitable or educational purposes, to or by an  
3 organization which:

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

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

9           c. is organized for the purpose of:

10           (1) providing training and education to  
11 developmentally disabled individuals,

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

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

18           68. Sales of tangible personal property or services to any  
19 organization which is a shelter for abused, neglected, or abandoned  
20 children and which is exempt from taxation pursuant to the  
21 provisions of the Internal Revenue Code, 26 U.S.C., Section  
22 501(c) (3); provided, until July 1, 2008, such exemption shall apply  
23 only to eligible shelters for children from birth to age twelve (12)  
24

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

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

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

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

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

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

15 ~~b. The exemption authorized by this paragraph shall be~~  
16 ~~administered in the form of a refund from the sales~~  
17 ~~tax revenues apportioned pursuant to Section 1353 of~~  
18 ~~this title, and the vendor shall be required to~~  
19 ~~collect the sales tax otherwise applicable to the~~  
20 ~~transaction. The purchaser may apply for a refund of~~  
21 ~~the state sales tax paid in the manner prescribed by~~  
22 ~~this paragraph. Within sixty (60) days after the end~~  
23 ~~of each calendar quarter, any purchaser that is~~  
24 ~~entitled to make application for a refund based upon~~

1           ~~the exempt treatment authorized by this paragraph may~~  
2           ~~file an application for refund of the state sales~~  
3           ~~taxes paid during such preceding calendar quarter.~~  
4           ~~The Tax Commission shall prescribe a form for purposes~~  
5           ~~of making the application for refund.~~

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

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

19           72. Sales of tangible personal property or services for use  
20 solely on construction projects for organizations which are exempt  
21 from taxation pursuant to the provisions of the Internal Revenue  
22 Code, 26 U.S.C., Section 501(c)(3) and whose purpose is providing  
23 end-of-life care and access to hospice services to low-income  
24 individuals who live in a facility owned by the organization. The



1 exemption provided by this paragraph applies to sales to the  
2 organization as well as to sales to any person with whom the  
3 organization has duly entered into a construction contract,  
4 necessary for carrying out such contract or to any subcontractor to  
5 such a construction contract. Any person making purchases on behalf  
6 of such organization shall certify, in writing, on the copy of the  
7 invoice or sales ticket to be retained by the vendor that the  
8 purchases are made for and on behalf of such organization and set  
9 out the name of such organization. Any person who wrongfully or  
10 erroneously certifies that purchases are for any of the above-named  
11 organizations or who otherwise violates this section shall be guilty  
12 of a misdemeanor and upon conviction thereof shall be fined an  
13 amount equal to double the amount of sales tax involved or  
14 incarcerated for not more than sixty (60) days or both;

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

20 74. Sales of tangible personal property or services:

- 21 a. to a foundation which is exempt from taxation pursuant  
22 to the provisions of the Internal Revenue Code, 26  
23 U.S.C., Section 501(c)(3) and which raises tax-  
24 deductible contributions in support of a wide range of  
25

1 firearms-related public interest activities of the  
2 National Rifle Association of America and other  
3 organizations that defend and foster Second Amendment  
4 rights, and

- 5 b. to or by a grassroots fundraising program for sales  
6 related to events to raise funds for a foundation  
7 meeting the qualifications of subparagraph a of this  
8 paragraph;

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

19 76. Effective November 1, 2017, sales of tangible personal  
20 property or services to an organization which is exempt from  
21 taxation pursuant to the provisions of the Internal Revenue Code, 26  
22 U.S.C., Section 501(c) (3) and operates as a collaborative model  
23 which connects community agencies in one location to serve  
24

1 individuals and families affected by violence and where victims have  
2 access to services and advocacy at no cost to the victim;

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

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

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

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

- 20 a. exempt from taxation pursuant to the provisions of the  
21 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
- 22 b. verified with a letter from the MIT Fab Foundation as  
23 an official member of the Fab Lab Network in  
24 compliance with the Fab Charter, and

1 c. able to provide documentation that its primary and  
2 principal purpose is to provide community access to  
3 advanced 21st century manufacturing and digital  
4 fabrication tools for science, technology,  
5 engineering, art, and math (STEAM) learning skills,  
6 developing inventions, creating and sustaining  
7 businesses, and producing personalized products;

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

13 a. its primary purpose is to construct or remodel and  
14 sell affordable housing and provide homeownership  
15 education to residents of Oklahoma that have an income  
16 that is below one hundred percent (100%) of the Family  
17 Median Income guidelines as defined by the U.S.  
18 Department of Housing and Urban Development,

19 b. it conducts its activities in a manner that serves  
20 public or charitable purposes, rather than commercial  
21 purposes,

22 c. it receives funding and revenue and charges fees in a  
23 manner that does not incentivize it or its employees  
24

1 to act other than in the best interests of its  
2 clients, and

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

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

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

- 3           a. operates as a part of an organization which is exempt
- 4                 from taxation pursuant to the provisions of the
- 5                 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
- 6           b. is not accredited by the American Alliance of Museums,
- 7                 and
- 8           c. operates on an annual budget of less than One Million
- 9                 Dollars (\$1,000,000.00);

10           84. Until July 1, 2022, sales of tangible personal property or  
11 services for use in a clinical practice or medical facility operated  
12 by an organization which is exempt from taxation pursuant to the  
13 provisions of the Internal Revenue Code of the United States, 26  
14 U.S.C., Section 501(c)(3), and which has entered into a joint  
15 operating agreement with the University Hospitals Trust created  
16 pursuant to Section 3224 of Title 63 of the Oklahoma Statutes. The  
17 exemption provided by this paragraph shall be limited to the  
18 purchase of tangible personal property and services for use in  
19 clinical practices or medical facilities acquired or leased by the  
20 organization from the University Hospitals Authority, University  
21 Hospitals Trust, or the University of Oklahoma on or after June 1,  
22 2021; and

23           85. Sales of tangible personal property or services to a  
24 nonprofit entity, organized pursuant to Oklahoma law before January

1 1, 2019, exempt from federal income taxation pursuant to Section  
2 501(c) of the Internal Revenue Code of 1986, as amended, the  
3 principal functions of which are to provide assistance to natural  
4 persons following a disaster, with program emphasis on repair or  
5 restoration to single-family residential dwellings or the  
6 construction of a replacement single-family residential dwelling.  
7 For purposes of this paragraph, an entity operated exclusively for  
8 charitable and educational purposes through the coordination of  
9 volunteers for the disaster recovery of homes (as derived from Part  
10 III, Statement of Program Services, of Internal Revenue Service Form  
11 990) and offers its services free of charge to disaster survivors  
12 statewide who are low income with no or limited means of recovery on  
13 their own for the restoration to single-family housing following a  
14 disaster including related general and administrative expenses,  
15 shall be eligible for the exemption authorized by this paragraph.  
16 The exemption provided by this paragraph shall only be applicable to  
17 sales made on or after the effective date of this act. As used in  
18 this paragraph, "disaster" means damage to property with or without  
19 accompanying injury to persons from heavy rain, high winds, tornadic  
20 winds, drought, wildfire, snow, ice, geologic disturbances,  
21 explosions, chemical accidents or spills, and other events causing  
22 damage to property on a large scale.

1 SECTION 2. This act shall become effective November 1, 2023.

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