

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 SENATE BILL NO. 909

By: Pugh of the Senate

and

6 Caldwell (Trey) of the
7 House

8
9
10 COMMITTEE SUBSTITUTE

11 [sales tax - governmental and nonprofit entities -
12 exemption - museums - effective date]

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16 ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

17 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1356, as
18 last amended by Section 1, Chapter 413, O.S.L. 2019 (68 O.S. Supp.
19 2020, Section 1356), is amended to read as follows:

20 Section 1356. Exemptions - Governmental and nonprofit entities.

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

23 1. Sale of tangible personal property or services to the United
24 States government or to the State of Oklahoma, any political

1 subdivision of this state or any agency of a political subdivision
2 of this state; provided, all sales to contractors in connection with
3 the performance of any contract with the United States government,
4 State of Oklahoma or any of its political subdivisions shall not be
5 exempted from the tax levied by Section 1350 et seq. of this title,
6 except as hereinafter provided;

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

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

17 4. Sales made directly by county, district or state fair
18 authorities of this state, upon the premises of the fair authority,
19 for the sole benefit of the fair authority or sales of admission
20 tickets to such fairs or fair events at any location in the state
21 authorized by county, district or state fair authorities; provided,
22 the exemption provided by this paragraph for admission tickets to
23 fair events shall apply only to any portion of the admission price
24 that is retained by or distributed to the fair authority. As used

1 in this paragraph, "fair event" shall be limited to an event held on
2 the premises of the fair authority in conjunction with and during
3 the time period of a county, district or state fair;

4 5. Sale of food in cafeterias or ~~lunch-rooms~~ lunchrooms of
5 elementary schools, high schools, colleges or universities which are
6 operated primarily for teachers and pupils and are not operated
7 primarily for the public or for profit;

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

19 7. Sale of tangible personal property or services to or by
20 churches, except sales made in the course of business for profit or
21 savings, competing with other persons engaged in the same or a
22 similar business or sale of tangible personal property or services
23 by an organization exempt from federal income tax pursuant to
24 Section 501(c)(3) of the Internal Revenue Code of 1986, as amended,

1 made on behalf of or at the request of a church or churches if the
2 sale of such property is conducted not more than once each calendar
3 year for a period not to exceed three (3) days by the organization
4 and proceeds from the sale of such property are used by the church
5 or churches or by the organization for charitable purposes;

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

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

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

1 agency. Any person who wrongfully or erroneously certifies that
2 purchases are for any of the above-named subdivisions or agencies of
3 this state or who otherwise violates this section shall be guilty of
4 a misdemeanor and upon conviction thereof shall be fined an amount
5 equal to double the amount of sales tax involved or incarcerated for
6 not more than 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) ~~7~~
15 including materials, supplies ~~7~~ and equipment used in the
16 construction and improvement of buildings and other structures owned
17 by the institutions and operated for educational purposes.

18 Any person, firm, agency or entity making purchases on behalf of
19 any institution, agency or subdivision in this state, shall certify
20 in writing, on the copy of the invoice or sales ticket the nature of
21 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 relations
10 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;

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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~~7~~ 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

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 recreation
23 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 of Museums. Any person making purchases on behalf of
11 any such museum or other entity shall certify, in writing, on the
12 copy of the invoice or sales ticket to be retained by the vendor
13 that the purchases are made for and on behalf of such museum or
14 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 of Museums. In order to be eligible for
24 the exemption provided by this paragraph, an amount equivalent to

1 the amount of the tax which would otherwise be required to be
2 collected pursuant to the provisions of Section 1350 et seq. of this
3 title shall be separately stated on the admission ticket and shall
4 be collected and used for the sole purpose of servicing or aiding in
5 the servicing of debt incurred by the museum to effect the
6 construction, enlarging or renovation of any facility to be used for
7 entertainment, edification or cultural cultivation to which entry is
8 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. Transfer of tangible personal property made pursuant to
20 Section 3226 of Title 63 of the Oklahoma Statutes by the University
21 Hospitals Trust;

22 31. Sales of tangible personal property or services to a
23 municipality, county or school district pursuant to a lease or
24 lease-purchase agreement executed between the vendor and a

1 municipality, county or school district. A copy of the lease or
2 lease-purchase agreement shall be retained by the vendor;

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

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

- 13 a. the destruction in whole or in part of the satellite
- 14 or launch vehicle,
- 15 b. the failure of a launch to occur or be successful, or
- 16 c. the absence of any transfer or title to, or possession
- 17 of, the satellite or launch vehicle after launch;

18 34. The sale, lease, use, storage, consumption, or distribution
19 in this state of any space facility, space propulsion system or
20 space vehicle, satellite, or station of any kind possessing space
21 flight capacity, including components thereof;

22 35. The sale, lease, use, storage, consumption, or distribution
23 in this state of tangible personal property, placed on or used
24 aboard any space facility, space propulsion system or space vehicle,

1 satellite, or station possessing space flight capacity, which is
2 launched into space, irrespective of whether such tangible property
3 is returned to this state for subsequent use, storage, or
4 consumption in any manner;

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

21 37. The purchase or lease of machinery and equipment for use at
22 a fixed location in this state, which is used exclusively in the
23 manufacturing, processing, compounding, or producing of any space
24 facility, space propulsion system or space vehicle, satellite, or

1 station of any kind possessing space flight capacity. Provided, the
2 exemption provided for in this paragraph shall not be allowed unless
3 the purchaser or lessee signs an affidavit stating that the item or
4 items to be exempted are for the exclusive use designated herein.
5 Any person furnishing a false affidavit to the vendor for the
6 purpose of evading payment of any tax imposed by Section 1354 of
7 this title shall be subject to the penalties provided by law. As
8 used in this paragraph, "machinery and equipment" means "section 38
9 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the
10 Internal Revenue Code of 1986, which is used as an integral part of
11 the manufacturing, processing, compounding, or producing of items of
12 tangible personal property. Such term includes parts and
13 accessories only to the extent that the exemption thereof is
14 consistent with the provisions of this paragraph;

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

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

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

5 41. Sales of tangible personal property or services for use on
6 campus or school construction projects for the benefit of
7 institutions of The Oklahoma State System of Higher Education,
8 private institutions of higher education accredited by the Oklahoma
9 State Regents for Higher Education or any public school or school
10 district when such projects are financed by or through the use of
11 nonprofit entities which are exempt from taxation pursuant to the
12 provisions of the Internal Revenue Code, 26 U.S.C., Section
13 501(c) (3);

14 42. Sales of tangible personal property or services 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), in the course of conducting a national championship
18 sports event, but only if all or a portion of the payment in
19 exchange therefor would qualify as the receipt of a qualified
20 sponsorship payment described in Internal Revenue Code, 26 U.S.C.,
21 Section 513(i). Sales exempted pursuant to this paragraph shall be
22 exempt from all Oklahoma sales, use, excise and gross receipts
23 taxes;

24

1 43. Sales of tangible personal property or services to or by an
2 organization which:

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

6 b. is affiliated with a comprehensive university within
7 The Oklahoma State System of Higher Education, and

8 c. has been organized primarily for the purpose of
9 providing education and teacher training and
10 conducting events relating to robotics;

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

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

23 46. 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) and is operating the Oklahoma City National Memorial and
3 Museum, an affiliate of the National Park System;

4 47. Sales of tangible personal property or services to
5 organizations which are exempt from federal taxation pursuant to the
6 provisions of Section 501(c)(3) of the Internal Revenue Code, 26
7 U.S.C., Section 501(c)(3), the memberships of which are limited to
8 honorably discharged veterans, and which furnish financial support
9 to area veterans' organizations to be used for the purpose of
10 constructing a memorial or museum;

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

17 49. Sales of tangible personal property or services to a state
18 that borders this state or any political subdivision of that state,
19 but only to the extent that the other state or political subdivision
20 exempts or does not impose a tax on similar sales of items to this
21 state or a political subdivision of this state;

22 50. Effective July 1, 2005, sales of tangible personal property
23 or services to the Career Technology Student Organizations under the
24

1 direction and supervision of the Oklahoma Department of Career and
2 Technology Education;

3 51. Sales of tangible personal property to a public trust
4 having either a single city, town or county or multiple cities,
5 towns or counties or combination thereof as beneficiary or
6 beneficiaries or a nonprofit organization which is exempt from
7 taxation pursuant to the provisions of the Internal Revenue Code, 26
8 U.S.C., Section 501(c)(3) for the purpose of constructing
9 improvements to or expanding a hospital or nursing home owned and
10 operated by any such public trust or nonprofit entity prior to July
11 1, 2008, in counties with a population of less than one hundred
12 thousand (100,000) persons, according to the most recent Federal
13 Decennial Census. As used in this paragraph, "constructing
14 improvements to or expanding" shall not mean any expense for routine
15 maintenance or general repairs and shall require a project cost of
16 at least One Hundred Thousand Dollars (\$100,000.00). For purposes
17 of this paragraph, sales made to a contractor or subcontractor that
18 enters into a contractual relationship with a public trust or
19 nonprofit entity as described by this paragraph shall be considered
20 sales made to the public trust or nonprofit entity. The exemption
21 authorized by this paragraph shall be administered in the form of a
22 refund from the sales tax revenues apportioned pursuant to Section
23 1353 of this title and the vendor shall be required to collect the
24 sales tax otherwise applicable to the transaction. The purchaser

1 may apply for a refund of the sales tax paid in the manner
2 prescribed by this paragraph. Within thirty (30) days after the end
3 of each fiscal year, any purchaser that is entitled to make
4 application for a refund based upon the exempt treatment authorized
5 by this paragraph may file an application for refund of the sales
6 taxes paid during such preceding fiscal year. The Tax Commission
7 shall prescribe a form for purposes of making the application for
8 refund. The Tax Commission shall determine whether or not the total
9 amount of sales tax exemptions claimed by all purchasers is equal to
10 or less than Six Hundred Fifty Thousand Dollars (\$650,000.00). If
11 such claims are less than or equal to that amount, the Tax
12 Commission shall make refunds to the purchasers in the full amount
13 of the documented and verified sales tax amounts. If such claims by
14 all purchasers are in excess of Six Hundred Fifty Thousand Dollars
15 (\$650,000.00), the Tax Commission shall determine the amount of each
16 purchaser's claim, the total amount of all claims by all purchasers,
17 and the percentage each purchaser's claim amount bears to the total.
18 The resulting percentage determined for each purchaser shall be
19 multiplied by Six Hundred Fifty Thousand Dollars (\$650,000.00) to
20 determine the amount of refundable sales tax to be paid to each
21 purchaser. The pro rata refund amount shall be the only method to
22 recover sales taxes paid during the preceding fiscal year and no
23 balance of any sales taxes paid on a pro rata basis shall be the
24 subject of any subsequent refund claim pursuant to this paragraph;

1 52. Effective July 1, 2006, sales of tangible personal property
2 or services to any organization which assists, trains, educates, and
3 provides housing for physically and mentally handicapped persons and
4 which is exempt from taxation pursuant to the provisions of the
5 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and that
6 receives at least eighty-five percent (85%) of its annual budget
7 from state or federal funds. In order to receive the benefit of the
8 exemption authorized by this paragraph, the taxpayer shall be
9 required to make payment of the applicable sales tax at the time of
10 sale to the vendor in the manner otherwise required by law.
11 Notwithstanding any other provision of the Oklahoma Uniform Tax
12 Procedure Code to the contrary, the taxpayer shall be authorized to
13 file a claim for refund of sales taxes paid that qualify for the
14 exemption authorized by this paragraph for a period of one (1) year
15 after the date of the sale transaction. The taxpayer shall be
16 required to provide documentation as may be prescribed by the
17 Oklahoma Tax Commission in support of the refund claim. The total
18 amount of sales tax qualifying for exempt treatment pursuant to this
19 paragraph shall not exceed One Hundred Seventy-five Thousand Dollars
20 (\$175,000.00) each fiscal year. Claims for refund shall be
21 processed in the order in which such claims are received by the
22 Oklahoma Tax Commission. If a claim otherwise timely filed exceeds
23 the total amount of refunds payable for a fiscal year, such claim
24 shall be barred;

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

14 54. Sales of tangible personal property to a nonprofit
15 organization, exempt from taxation pursuant to the provisions of the
16 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), organized
17 primarily for the purpose of providing services to homeless persons
18 during the day and located in a metropolitan area with a population
19 in excess of five hundred thousand (500,000) persons according to
20 the latest Federal Decennial Census. The exemption authorized by
21 this paragraph shall be applicable to sales of tangible personal
22 property to a qualified entity occurring on or after January 1,
23 2005;

24

1 55. Sales of tangible personal property or services to or 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) for events the principal purpose of which is to provide
5 funding for the preservation of wetlands and habitat for wild ducks;

6 56. Sales of tangible personal property or services to or by an
7 organization which is exempt from taxation pursuant to the
8 provisions of the Internal Revenue Code, 26 U.S.C., Section
9 501(c) (3) for events the principal purpose of which is to provide
10 funding for the preservation and conservation of wild turkeys;

11 57. Sales of tangible personal property or services to 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), and

16 b. is part of a network of community-based, autonomous
17 member organizations that meets the following
18 criteria:

19 (1) serves people with workplace disadvantages and
20 disabilities by providing job training and
21 employment services, as well as job placement
22 opportunities and post-employment support,

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

- 1 (3) collects donated clothing and household goods to
2 sell in retail stores and provides contract labor
3 services to business and government, and
4 (4) provides documentation to the Oklahoma Tax
5 Commission that over seventy-five percent (75%)
6 of its revenues are channeled into employment,
7 job training and placement programs and other
8 critical community services;

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

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

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

19 61. Sales of tangible personal property or services to an
20 organization, which is exempt from taxation pursuant to the
21 provisions of the Internal Revenue Code, 26 U.S.C., Section
22 501(c)(3), and which is itself a member of an organization which is
23 exempt from taxation pursuant to the provisions of the Internal
24 Revenue Code, 26 U.S.C., Section 501(c)(3), if the membership

1 organization is primarily engaged in advancing the purposes of its
2 member organizations through fundraising, public awareness or other
3 efforts for the benefit of its member organizations, and if the
4 member organization is primarily engaged either in providing
5 educational services and programs concerning health-related diseases
6 and conditions to individuals suffering from such health-related
7 diseases and conditions or their caregivers and family members or
8 support to such individuals, or in health-related research as to
9 such diseases and conditions, or both. In order to qualify for the
10 exemption authorized by this paragraph, the member nonprofit
11 organization shall be required to provide proof to the Oklahoma Tax
12 Commission of its membership status in the membership organization;

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

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

22 64. Sales of tangible personal property or services to or by a
23 veteran's organization which is exempt from taxation pursuant to the
24 provisions of the Internal Revenue Code, 26 U.S.C., Section

1 501(c)(19) and which is known as the Veterans of Foreign Wars of the
2 United States, Oklahoma Chapters;

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

11 66. Sales of tangible personal property or services to any
12 person with whom a church has duly entered into a construction
13 contract, necessary for carrying out such contract or to any
14 subcontractor to such a construction contract;

15 67. Sales of tangible personal property or services used
16 exclusively for charitable or educational purposes, to or by an
17 organization which:

- 18 a. is exempt from taxation pursuant to the provisions of
19 the Internal Revenue Code, 26 U.S.C., Section
20 501(c)(3),
- 21 b. has filed a Not-for-Profit Certificate of
22 Incorporation in this state, and
- 23 c. is organized for the purpose of:

24

- 1 (1) providing training and education to
- 2 developmentally disabled individuals,
- 3 (2) educating the community about the rights,
- 4 abilities and strengths of developmentally
- 5 disabled individuals, and
- 6 (3) promoting unity among developmentally disabled
- 7 individuals in their community and geographic
- 8 area;

9 68. Sales of tangible personal property or services to any
10 organization which is a shelter for abused, neglected, or abandoned
11 children and which is exempt from taxation pursuant to the
12 provisions of the Internal Revenue Code, 26 U.S.C., Section
13 501(c) (3); provided, until July 1, 2008, such exemption shall apply
14 only to eligible shelters for children from birth to age twelve (12)
15 and after July 1, 2008, such exemption shall apply to eligible
16 shelters for children from birth to age eighteen (18);

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

- 20 a. possesses a 3-star rating from the Department of Human
- 21 Services Reaching for the Stars Program or a national
- 22 accreditation, and
- 23 b. allows on site universal pre-kindergarten education to
- 24 be provided to four-year-old children through a

1 contractual agreement with any public school or school
2 district.

3 For the purposes of this paragraph, sales made to any person,
4 firm, agency or entity that has entered previously into a
5 contractual relationship with a child care center for construction
6 and improvement of buildings and other structures owned by the child
7 care center and operated for educational purposes shall be
8 considered sales made to a child care center. Any such person,
9 firm, agency or entity making purchases on behalf of a child care
10 center shall certify, in writing, on the copy of the invoice or
11 sales ticket the nature of the purchase. Any such person, or person
12 acting on behalf of a firm, agency or entity making purchases on
13 behalf of a child care center in violation of this paragraph shall
14 be guilty of a misdemeanor and upon conviction thereof shall be
15 fined an amount equal to double the amount of sales tax involved or
16 incarcerated for not more than sixty (60) days or both;

17 70. a. Sales of tangible personal property to a service
18 organization of mothers who have children who are
19 serving or who have served in the military, which
20 service organization is exempt from taxation pursuant
21 to the provisions of the Internal Revenue Code, 26
22 U.S.C., Section 501(c)(19) and which is known as the
23 Blue Star Mothers of America, Inc. The exemption
24 provided by this paragraph shall only apply to the

1 purchase of tangible personal property actually sent
2 to United States military personnel overseas who are
3 serving in a combat zone and not to any other tangible
4 personal property purchased by the organization.
5 Provided, this exemption shall not apply to any sales
6 tax levied by a city, town, county, or any other
7 jurisdiction in this state.

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

23 c. A purchaser who applies for a refund pursuant to this
24 paragraph shall certify that the items were actually

1 sent to military personnel overseas in a combat zone.
2 Any purchaser that applies for a refund for the
3 purchase of items that are not authorized for
4 exemption under this paragraph shall be subject to a
5 penalty in the amount of Five Hundred Dollars
6 (\$500.00);

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

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

1 purchases are made for and on behalf of such organization and set
2 out the name of such organization. Any person who wrongfully or
3 erroneously certifies that purchases are for any of the above-named
4 organizations or who otherwise violates this section shall be guilty
5 of a misdemeanor and upon conviction thereof shall be fined an
6 amount equal to double the amount of sales tax involved or
7 incarcerated for not more than sixty (60) days or both;

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

13 74. Sales of tangible personal property or services:

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

22 b. to or by a grassroots fundraising program for sales
23 related to events to raise funds for a foundation
24

1 meeting the qualifications of subparagraph a of this
2 paragraph;

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

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

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

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

6 79. Sales of tangible personal property or services to the
7 American Legion, whether the purchase is made by the entity
8 chartered by the United States Congress or is an entity organized
9 under the laws of this or another state pursuant to the authority of
10 the national American Legion organization; ~~and~~

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

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

1 81. 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 SECTION 2. This act shall become effective November 1, 2021.

11
12 58-1-8161 JM 04/15/21
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