

1 STATE OF OKLAHOMA

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

3 SUBCOMMITTEE RECOMMENDATION  
4 FOR ENGROSSED

5 SENATE BILL NO. 909

By: Pugh of the Senate

and

6 Caldwell (Trey) of the  
7 House

8  
9  
10 SUBCOMMITTEE RECOMMENDATION

11 An Act relating to sales tax; amending 68 O.S. 2011,  
12 Section 1356, as last amended by Section 1, Chapter  
13 413, O.S.L. 2019 (68 O.S. Supp. 2020, Section 1356),  
14 which relates to sales tax exemptions for  
15 governmental and nonprofit entities; providing  
16 exemption for sales to certain museums; and providing  
17 an effective date.

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

19 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1356, as  
20 last amended by Section 1, Chapter 413, O.S.L. 2019 (68 O.S. Supp.  
21 2020, Section 1356), is amended to read as follows:

22 Section 1356. Exemptions - Governmental and nonprofit entities.

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

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

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

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

19           4. Sales made directly by county, district or state fair  
20 authorities of this state, upon the premises of the fair authority,  
21 for the sole benefit of the fair authority or sales of admission  
22 tickets to such fairs or fair events at any location in the state  
23 authorized by county, district or state fair authorities; provided,  
24 the exemption provided by this paragraph for admission tickets to

1 fair events shall apply only to any portion of the admission price  
2 that is retained by or distributed to the fair authority. As used  
3 in this paragraph, "fair event" shall be limited to an event held on  
4 the premises of the fair authority in conjunction with and during  
5 the time period of a county, district or state fair;

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

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

21 7. Sale of tangible personal property or services to or by  
22 churches, except sales made in the course of business for profit or  
23 savings, competing with other persons engaged in the same or a  
24 similar business or sale of tangible personal property or services

1 by an organization exempt from federal income tax pursuant to  
2 Section 501(c)(3) of the Internal Revenue Code of 1986, as amended,  
3 made on behalf of or at the request of a church or churches if the  
4 sale of such property is conducted not more than once each calendar  
5 year for a period not to exceed three (3) days by the organization  
6 and proceeds from the sale of such property are used by the church  
7 or churches or by the organization for charitable purposes;

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

24

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

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

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

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

21 Any person, firm, agency or entity making purchases on behalf of  
22 any institution, agency or subdivision in this state, shall certify  
23 in writing, on the copy of the invoice or sales ticket the nature of  
24

1 the purchases, and violation of this paragraph shall be a  
2 misdemeanor as set forth in paragraph 10 of this section;

3 12. Tuition and educational fees paid to private institutions  
4 of higher education and private elementary and secondary  
5 institutions of education accredited by the State Department of  
6 Education or registered by the State Board of Education for purposes  
7 of participating in federal programs or accredited as defined by the  
8 Oklahoma State Regents for Higher Education which are exempt from  
9 taxation pursuant to the provisions of the Internal Revenue Code, 26  
10 U.S.C., Section 501(c)(3);

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

12 (1) a public school,

13 (2) a private school offering instruction for grade  
14 levels kindergarten through twelfth grade,

15 (3) a public school district,

16 (4) a public or private school board,

17 (5) a public or private school student group or  
18 organization,

19 (6) a parent-teacher association or organization  
20 other than as specified in subparagraph b of this  
21 paragraph, or

22 (7) public or private school personnel for purposes  
23 of raising funds for the benefit of a public or  
24 private school, public school district, public or

1 private school board or public or private school  
2 student group or organization, or

- 3 b. Sales of tangible personal property made by or to  
4 nonprofit parent-teacher associations or organizations  
5 exempt from taxation pursuant to the provisions of the  
6 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),  
7 nonprofit local public or private school foundations  
8 which solicit money or property in the name of any  
9 public or private school or public school district.

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

17 14. Sales of tangible personal property by:

- 18 a. local 4-H clubs,  
19 b. county, regional or state 4-H councils,  
20 c. county, regional or state 4-H committees,  
21 d. 4-H leader associations,  
22 e. county, regional or state 4-H foundations, and  
23 f. authorized 4-H camps and training centers.



1       The exemption provided by this paragraph shall be limited to  
2 sales for the purpose of raising funds for the benefit of such  
3 organizations. Sale of tangible personal property exempted by this  
4 paragraph shall include sale of admission tickets;

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

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

15       17. Sales of tangible personal property or services to fire  
16 departments organized pursuant to Section 592 of Title 18 of the  
17 Oklahoma Statutes which items are to be used for the purposes of the  
18 fire department. Any person making purchases on behalf of any such  
19 fire department shall certify, in writing, on the copy of the  
20 invoice or sales ticket to be retained by the vendor that the  
21 purchases are made for and on behalf of such fire department and set  
22 out the name of such fire department. Any person who wrongfully or  
23 erroneously certifies that the purchases are for any such fire  
24 department or who otherwise violates the provisions of this section

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

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

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

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

23 21. Sales of tangible personal property or services to any  
24 organization, which takes court-adjudicated juveniles for purposes

1 of rehabilitation, and which is exempt from taxation pursuant to the  
2 provisions of the Internal Revenue Code, 26 U.S.C., Section  
3 501(c) (3), provided that at least fifty percent (50%) of the  
4 juveniles served by such organization are court adjudicated and the  
5 organization receives state funds in an amount less than ten percent  
6 (10%) of the annual budget of the organization;

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

8 a. any health center as defined in Section 254b of Title  
9 42 of the United States Code,

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

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

16 (1) provides primary care services at no cost to the  
17 recipient, and

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

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

23 23. Dues or fees, including free or complimentary dues or fees  
24 which have a value equivalent to the charge that could have

1 otherwise been made, to YMCAs, YWCAs or municipally-owned recreation  
2 centers for the use of facilities and programs;

3 24. The first Fifteen Thousand Dollars (\$15,000.00) each year  
4 from sales of tangible personal property or services to or by a  
5 cultural organization established to sponsor and promote  
6 educational, charitable and cultural events for disadvantaged  
7 children, and which organization is exempt from taxation pursuant to  
8 the provisions of the Internal Revenue Code, 26 U.S.C., Section  
9 501(c) (3);

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

24

1        26. Sales of tickets for admission by any museum accredited by  
2 the American Association of Museums. In order to be eligible for  
3 the exemption provided by this paragraph, an amount equivalent to  
4 the amount of the tax which would otherwise be required to be  
5 collected pursuant to the provisions of Section 1350 et seq. of this  
6 title shall be separately stated on the admission ticket and shall  
7 be collected and used for the sole purpose of servicing or aiding in  
8 the servicing of debt incurred by the museum to effect the  
9 construction, enlarging or renovation of any facility to be used for  
10 entertainment, edification or cultural cultivation to which entry is  
11 gained with a paid admission ticket;

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

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

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

22        30. Transfer of tangible personal property made pursuant to  
23 Section 3226 of Title 63 of the Oklahoma Statutes by the University  
24 Hospitals Trust;

1        31. Sales of tangible personal property or services to a  
2 municipality, county or school district pursuant to a lease or  
3 lease-purchase agreement executed between the vendor and a  
4 municipality, county or school district. A copy of the lease or  
5 lease-purchase agreement shall be retained by the vendor;

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

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

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

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

1        35. The sale, lease, use, storage, consumption, or distribution  
2 in this state of tangible personal property, placed on or used  
3 aboard any space facility, space propulsion system or space vehicle,  
4 satellite, or station possessing space flight capacity, which is  
5 launched into space, irrespective of whether such tangible property  
6 is returned to this state for subsequent use, storage, or  
7 consumption in any manner;

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

24

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

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

24



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

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

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

18        42. Sales of tangible personal property or services by an  
19 organization which is exempt from taxation pursuant to the  
20 provisions of the Internal Revenue Code, 26 U.S.C., Section  
21 501(c) (3), in the course of conducting a national championship  
22 sports event, but only if all or a portion of the payment in  
23 exchange therefor would qualify as the receipt of a qualified  
24 sponsorship payment described in Internal Revenue Code, 26 U.S.C.,

1 Section 513(i). Sales exempted pursuant to this paragraph shall be  
2 exempt from all Oklahoma sales, use, excise and gross receipts  
3 taxes;

4 43. Sales of tangible personal property or services to or by an  
5 organization which:

6 a. is exempt from taxation pursuant to the provisions of  
7 the Internal Revenue Code, 26 U.S.C., Section  
8 501(c)(3),

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

11 c. has been organized primarily for the purpose of  
12 providing education and teacher training and  
13 conducting events relating to robotics;

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

20 45. Sales of tickets for admission to a collegiate athletic  
21 event that is held in a facility owned or operated by a municipality  
22 or a public trust of which the municipality is the sole beneficiary  
23 and that actually determines or is part of a tournament or  
24

1 tournament process for determining a conference tournament  
2 championship, a conference championship, or a national championship;

3 46. Sales of tangible personal property or services to or by 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 is operating the Oklahoma City National Memorial and  
7 Museum, an affiliate of the National Park System;

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

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

21 49. Sales of tangible personal property or services to a state  
22 that borders this state or any political subdivision of that state,  
23 but only to the extent that the other state or political subdivision  
24

1 exempts or does not impose a tax on similar sales of items to this  
2 state or a political subdivision of this state;

3 50. Effective July 1, 2005, sales of tangible personal property  
4 or services to the Career Technology Student Organizations under the  
5 direction and supervision of the Oklahoma Department of Career and  
6 Technology Education;

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

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

1 purchaser. The pro rata refund amount shall be the only method to  
2 recover sales taxes paid during the preceding fiscal year and no  
3 balance of any sales taxes paid on a pro rata basis shall be the  
4 subject of any subsequent refund claim pursuant to this paragraph;

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

1 processed in the order in which such claims are received by the  
2 Oklahoma Tax Commission. If a claim otherwise timely filed exceeds  
3 the total amount of refunds payable for a fiscal year, such claim  
4 shall be barred;

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

18 54. Sales of tangible personal property to a nonprofit  
19 organization, exempt from taxation pursuant to the provisions of the  
20 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), organized  
21 primarily for the purpose of providing services to homeless persons  
22 during the day and located in a metropolitan area with a population  
23 in excess of five hundred thousand (500,000) persons according to  
24 the latest Federal Decennial Census. The exemption authorized by

1 this paragraph shall be applicable to sales of tangible personal  
2 property to a qualified entity occurring on or after January 1,  
3 2005;

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

9 56. 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 and conservation of wild turkeys;

14 57. Sales of tangible personal property or services to an  
15 organization which:

16 a. is exempt from taxation pursuant to the provisions of  
17 the Internal Revenue Code, 26 U.S.C., Section  
18 501(c) (3), and

19 b. is part of a network of community-based, autonomous  
20 member organizations that meets the following  
21 criteria:

22 (1) serves people with workplace disadvantages and  
23 disabilities by providing job training and  
24



1 employment services, as well as job placement  
2 opportunities and post-employment support,

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

5 (3) collects donated clothing and household goods to  
6 sell in retail stores and provides contract labor  
7 services to business and government, and

8 (4) provides documentation to the Oklahoma Tax  
9 Commission that over seventy-five percent (75%)  
10 of its revenues are channeled into employment,  
11 job training and placement programs and other  
12 critical community services;

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

1 the National Hockey League is a participant, which is held in a  
2 facility owned or operated by a municipality, a county or a public  
3 trust of which a municipality or a county is the sole beneficiary;

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

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

22 61. Sales of tangible personal property or services to an  
23 organization, which is exempt from taxation pursuant to the  
24 provisions of the Internal Revenue Code, 26 U.S.C., Section

1 501(c) (3), and which is itself a member of an organization which is  
2 exempt from taxation pursuant to the provisions of the Internal  
3 Revenue Code, 26 U.S.C., Section 501(c) (3), if the membership  
4 organization is primarily engaged in advancing the purposes of its  
5 member organizations through fundraising, public awareness or other  
6 efforts for the benefit of its member organizations, and if the  
7 member organization is primarily engaged either in providing  
8 educational services and programs concerning health-related diseases  
9 and conditions to individuals suffering from such health-related  
10 diseases and conditions or their caregivers and family members or  
11 support to such individuals, or in health-related research as to  
12 such diseases and conditions, or both. In order to qualify for the  
13 exemption authorized by this paragraph, the member nonprofit  
14 organization shall be required to provide proof to the Oklahoma Tax  
15 Commission of its membership status in the membership organization;

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

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

1       64. Sales of tangible personal property or services to or by a  
2 veteran's organization which is exempt from taxation pursuant to the  
3 provisions of the Internal Revenue Code, 26 U.S.C., Section  
4 501(c)(19) and which is known as the Veterans of Foreign Wars of the  
5 United States, Oklahoma Chapters;

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

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

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

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

3           c.    is organized for the purpose of:

4                   (1)   providing training and education to  
5                            developmentally disabled individuals,

6                   (2)   educating the community about the rights,  
7                            abilities and strengths of developmentally  
8                            disabled individuals, and

9                   (3)   promoting unity among developmentally disabled  
10                            individuals in their community and geographic  
11                            area;

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

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

1 a. possesses a 3-star rating from the Department of Human  
2 Services Reaching for the Stars Program or a national  
3 accreditation, and

4 b. allows on site universal pre-kindergarten education to  
5 be provided to four-year-old children through a  
6 contractual agreement with any public school or school  
7 district.

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

22 70. a. Sales of tangible personal property to a service  
23 organization of mothers who have children who are  
24 serving or who have served in the military, which

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

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

1 taxes paid during such preceding calendar quarter.

2 The Tax Commission shall prescribe a form for purposes  
3 of making the application for refund.

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

12 71. Sales of food and snack items to 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), whose primary  
15 and principal purpose is providing funding for scholarships in the  
16 medical field;

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



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

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

18 74. Sales of tangible personal property or services:

19 a. to a foundation which is exempt from taxation pursuant  
20 to the provisions of the Internal Revenue Code, 26  
21 U.S.C., Section 501(c)(3) and which raises tax-  
22 deductible contributions in support of a wide range of  
23 firearms-related public interest activities of the  
24 National Rifle Association of America and other

1 organizations that defend and foster Second Amendment  
2 rights, and

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

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

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

1        77. 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)(19) and which is known as the National Guard  
5 Association of Oklahoma;

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

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

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

- 18            a. exempt from taxation pursuant to the provisions of the  
19                    Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
- 20            b. verified with a letter from the MIT Fab Foundation as  
21                    an official member of the Fab Lab Network in  
22                    compliance with the Fab Charter, and
- 23            c. able to provide documentation that its primary and  
24                    principal purpose is to provide community access to

1 advanced 21st century manufacturing and digital  
2 fabrication tools for science, technology,  
3 engineering, art and math (STEAM) learning skills,  
4 developing inventions, creating and sustaining  
5 businesses and producing personalized products; and

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

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

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

16  
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