

1 **SENATE FLOOR VERSION**

2 March 2, 2022

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 1499

6 By: Garvin

7 [ feminine hygiene products - Feminine Hygiene  
8 Program - State Department of Health to administer  
9 program - Feminine Hygiene Program Revolving Fund -  
10 exemptions - codification - effective date ]

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

12 SECTION 1. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 1-228 of Title 63, unless there  
14 is created a duplication in numbering, reads as follows:

15 A. As used in this section:

16 1. "Feminine hygiene products" means tampons, panty liners,  
17 menstrual cups, sanitary napkins, and other products designed for  
18 feminine hygiene in connection with the human menstrual cycle; and

19 2. "Local health department" means a county department of  
20 health, a cooperative department of health, a district department of  
21 health, or a city-county health department.

22 B. There is hereby created the Feminine Hygiene Program. The  
23 State Department of Health shall administer the Feminine Hygiene  
24

1 Program to provide grants to local health departments for the  
2 purpose of providing feminine hygiene products to women.

3 C. Local health departments may apply to the State Department  
4 of Health for available funds. The application shall be on a form  
5 provided by the Department and shall contain information including  
6 but not limited to the items the local health department plans to  
7 purchase, the needs of the population the local health department  
8 intends to serve, and any entities the local health department plans  
9 to partner with to distribute feminine hygiene products.

10 D. For the distribution of feminine hygiene products, local  
11 health departments may partner with public schools, institutions of  
12 higher education, career tech centers, and nonprofit organizations  
13 that are solely organized in this state.

14 E. The State Department of Health shall determine grant  
15 application approvals and grant amounts based on a measure of the  
16 needs of the population the local health department intends to  
17 serve. The Department shall determine a measure of needs by  
18 analyzing information on the population to be served including but  
19 not limited to health statistics, income levels, employment  
20 statistics, or rates of domestic crime.

21 F. The State Commissioner of Health shall promulgate rules to  
22 administer the provisions of this section.

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1 SECTION 2. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 1-228.1 of Title 63, unless  
3 there is created a duplication in numbering, reads as follows:

4 There is hereby created in the State Treasury a revolving fund  
5 for the State Department of Health, to be designated the "Feminine  
6 Hygiene Program Revolving Fund". The fund shall be a continuing  
7 fund, not subject to fiscal year limitations, and shall consist of  
8 all monies received by the State Department of Health from  
9 appropriations of the Legislature, federal grants or funds, and  
10 sales tax apportionments pursuant to Section 1353 of Title 68 of the  
11 Oklahoma Statutes. All monies accruing to the credit of the fund  
12 are hereby appropriated and shall be budgeted and expended to  
13 administer and provide grants pursuant to the Feminine Hygiene  
14 Program created in Section 1 of this act. Expenditures from the  
15 fund shall be made upon warrants issued by the State Treasurer  
16 against claims filed as prescribed by law with the Director of the  
17 Office of Management and Enterprise Services for approval and  
18 payment.

19 SECTION 3. AMENDATORY 68 O.S. 2021, Section 1353, is  
20 amended to read as follows:

21 Section 1353. A. It is hereby declared to be the purpose of  
22 the Oklahoma Sales Tax Code to provide funds for the financing of  
23 the program provided for by the Oklahoma Social Security Act and to  
24 provide revenues for the support of the functions of the state

1 government of Oklahoma, and for this purpose it is hereby expressly  
2 provided that, revenues derived pursuant to the provisions of the  
3 Oklahoma Sales Tax Code, subject to the apportionment requirements  
4 for the Oklahoma Tax Commission and Office of Management and  
5 Enterprise Services Joint Computer Enhancement Fund provided by  
6 Section 265 of this title, shall be apportioned as follows:

7 1. Except as provided in subsections C and D of this section,  
8 the following amounts shall be paid to the State Treasurer to be  
9 placed to the credit of the General Revenue Fund to be paid out  
10 pursuant to direct appropriation by the Legislature:

11 Fiscal Year	Amount
12 FY 2003 and FY 2004	86.04%
13 FY 2005	85.83%
14 FY 2006	85.54%
15 FY 2007	85.04%
16 FY 2008 through FY 2022	83.61%
17 FY 2023 through FY 2027	83.36%
18 FY 2028 and each fiscal year thereafter	83.61%;

19 2. The following amounts shall be paid to the State Treasurer  
20 to be placed to the credit of the Education Reform Revolving Fund of  
21 the State Department of Education:

22 a. for FY 2003, FY 2004 and FY 2005, ten and forty-two  
23 one-hundredths percent (10.42%),  
24

1           b.    for FY 2006 through FY 2020, ten and forty-six one-  
2                    hundredths percent (10.46%),

3           c.    for FY 2021:

4                   (1)  for the month beginning July 1, 2020, through the  
5                            month ending August 31, 2020, ten and forty-six  
6                            one-hundredths percent (10.46%), and

7                   (2)  for the month beginning September 1, 2020,  
8                            through the month ending June 30, 2021, eleven  
9                            and ninety-six one-hundredths percent (11.96%),

10          d.    for FY 2022 and each fiscal year thereafter, ten and  
11                    forty-six one-hundredths percent (10.46%);

12          3.    The following amounts shall be paid to the State Treasurer  
13 to be placed to the credit of the Teachers' Retirement System  
14 Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 through FY 2020	5.0%
FY 2021:	
a.    for the month beginning July	
1, 2020, through the month	
ending August 31, 2020	5.0%

b. for the month beginning  
September 1, 2020, through  
the month ending June 30,  
2021

	3.5%
FY 2022	5.0%
FY 2023 through FY 2027	5.25%
FY 2028 and each fiscal year thereafter	5.0%;

4. a. except as otherwise provided in subparagraph b of this paragraph, for the fiscal year beginning July 1, 2015, and for each fiscal year thereafter, eighty-seven one-hundredths percent (0.87%) shall be paid to the State Treasurer to be further apportioned as follows:

(1) thirty-six percent (36%) shall be placed to the credit of the Oklahoma Tourism Promotion Revolving Fund, but in no event shall such apportionment exceed Five Million Dollars (\$5,000,000.00) in any fiscal year, and

(2) sixty-four percent (64%) shall be placed to the credit of the Oklahoma Tourism Capital Improvement Revolving Fund, but in no event shall such apportionment exceed Nine Million Dollars (\$9,000,000.00) in any fiscal year, and

1           b.    any amounts which exceed the limitations of  
2                    subparagraph a of this paragraph shall be placed to  
3                    the credit of the General Revenue Fund; and

4           5.    For the fiscal year beginning July 1, 2015, and for each  
5   fiscal year thereafter, six one-hundredths percent (0.06%) shall be  
6   placed to the credit of the Oklahoma Historical Society Capital  
7   Improvement and Operations Revolving Fund, but in no event shall  
8   such apportionment exceed the total amount apportioned pursuant to  
9   this paragraph for the fiscal year ending on June 30, 2015. Any  
10   amounts which exceed the limitations of this paragraph shall be  
11   placed to the credit of the General Revenue Fund.

12           B.    Provided, for the fiscal year beginning July 1, 2007, and  
13   every fiscal year thereafter, an amount of revenue shall be  
14   apportioned to each municipality or county which levies a sales tax  
15   subject to the provisions of Section 1357.10 of this title and  
16   subsection F of Section 2701 of this title equal to the amount of  
17   sales tax revenue of such municipality or county exempted by the  
18   provisions of Section 1357.10 of this title and subsection F of  
19   Section 2701 of this title. The Oklahoma Tax Commission shall  
20   promulgate and adopt rules necessary to implement the provisions of  
21   this subsection.

22           C.    From the monies that would otherwise be apportioned to the  
23   General Revenue Fund pursuant to subsection A of this section, there  
24   shall be apportioned the following amounts:

1        1. For the month ending August 31, 2019:

- 2            a.     Nine Million Six Hundred Thousand Dollars  
3                     (\$9,600,000.00) to the credit of the State Highway  
4                     Construction and Maintenance Fund created in Section  
5                     1501 of Title 69 of the Oklahoma Statutes, and  
6            b.     Two Million Dollars (\$2,000,000.00) to the credit of  
7                     the Oklahoma Railroad Maintenance Revolving Fund  
8                     created in Section 309 of Title 66 of the Oklahoma  
9                     Statutes;

10        2. For the month ending September 30, 2019:

- 11            a.     Twenty Million Dollars (\$20,000,000.00) to the credit  
12                     of the State Highway Construction and Maintenance Fund  
13                     created in Section 1501 of Title 69 of the Oklahoma  
14                     Statutes, and  
15            b.     Two Million Dollars (\$2,000,000.00) to the credit of  
16                     the Oklahoma Railroad Maintenance Revolving Fund  
17                     created in Section 309 of Title 66 of the Oklahoma  
18                     Statutes;

19        3. For the month ending October 31, 2019:

- 20            a.     Twenty Million Dollars (\$20,000,000.00) to the credit  
21                     of the State Highway Construction and Maintenance Fund  
22                     created in Section 1501 of Title 69 of the Oklahoma  
23                     Statutes, and  
24



1           b. Two Million Dollars (\$2,000,000.00) to the credit of  
2           the Oklahoma Railroad Maintenance Revolving Fund  
3           created in Section 309 of Title 66 of the Oklahoma  
4           Statutes;

5       4. For the month ending November 30, 2019:

6           a. Twenty Million Dollars (\$20,000,000.00) to the credit  
7           of the State Highway Construction and Maintenance Fund  
8           created in Section 1501 of Title 69 of the Oklahoma  
9           Statutes, and

10          b. Two Million Dollars (\$2,000,000.00) to the credit of  
11          the Oklahoma Railroad Maintenance Revolving Fund  
12          created in Section 309 of Title 66 of the Oklahoma  
13          Statutes; and

14       5. For the month ending December 31, 2019:

15           a. Twenty Million Dollars (\$20,000,000.00) to the credit  
16           of the State Highway Construction and Maintenance Fund  
17           created in Section 1501 of Title 69 of the Oklahoma  
18           Statutes, and

19          b. Two Million Dollars (\$2,000,000.00) to the credit of  
20          the Oklahoma Railroad Maintenance Revolving Fund  
21          created in Section 309 of Title 66 of the Oklahoma  
22          Statutes.

23       D. For fiscal year 2023, and each subsequent fiscal year,  
24 before any other apportionment otherwise required by this section is

1 made to the General Revenue Fund, there shall be apportioned to the  
2 State Public Common School Building Equalization Fund an amount, if  
3 any, as required pursuant to Section 3-104 of Title 70 of the  
4 Oklahoma Statutes, not to exceed the state sales tax generated by  
5 medical marijuana sales in the preceding fiscal year as reported by  
6 the Oklahoma Tax Commission.

7 E. For fiscal year 2024 and each subsequent fiscal year, before  
8 any other apportionment otherwise required by this section is made  
9 to the General Revenue Fund, there shall be apportioned One Million  
10 Dollars (\$1,000,000.00) to the Feminine Hygiene Program Revolving  
11 Fund created in Section 2 of this act.

12 SECTION 4. AMENDATORY 68 O.S. 2021, Section 1357, as  
13 last amended by Section 1, Chapter 68, O.S.L. 2021, is amended to  
14 read as follows:

15 Section 1357. Exemptions - General. There are hereby  
16 specifically exempted from the tax levied by the Oklahoma Sales Tax  
17 Code:

18 1. Transportation of school pupils to and from elementary  
19 schools or high schools in motor or other vehicles;

20 2. Transportation of persons where the fare of each person does  
21 not exceed One Dollar (\$1.00), or local transportation of persons  
22 within the corporate limits of a municipality except by taxicabs;

23 3. Sales for resale to persons engaged in the business of  
24 reselling the articles purchased, whether within or without the

1 state, provided that such sales to residents of this state are made  
2 to persons to whom sales tax permits have been issued as provided in  
3 the Oklahoma Sales Tax Code. This exemption shall not apply to the  
4 sales of articles made to persons holding permits when such persons  
5 purchase items for their use and which they are not regularly  
6 engaged in the business of reselling; neither shall this exemption  
7 apply to sales of tangible personal property to peddlers,  
8 solicitors, and other salespersons who do not have an established  
9 place of business and a sales tax permit. The exemption provided by  
10 this paragraph shall apply to sales of motor fuel or diesel fuel to  
11 a Group Five vendor, but the use of such motor fuel or diesel fuel  
12 by the Group Five vendor shall not be exempt from the tax levied by  
13 the Oklahoma Sales Tax Code. The purchase of motor fuel or diesel  
14 fuel is exempt from sales tax when the motor fuel is for shipment  
15 outside this state and consumed by a common carrier by rail in the  
16 conduct of its business. The sales tax shall apply to the purchase  
17 of motor fuel or diesel fuel in Oklahoma by a common carrier by rail  
18 when such motor fuel is purchased for fueling, within this state, of  
19 any locomotive or other motorized flanged wheel equipment;

20 4. Sales of advertising space in newspapers and periodicals;

21 5. Sales of programs relating to sporting and entertainment  
22 events, and sales of advertising on billboards (including signage,  
23 posters, panels, marquees, or on other similar surfaces, whether  
24 indoors or outdoors) or in programs relating to sporting and

1 entertainment events, and sales of any advertising, to be displayed  
2 at or in connection with a sporting event, via the Internet,  
3 electronic display devices, or through public address or broadcast  
4 systems. The exemption authorized by this paragraph shall be  
5 effective for all sales made on or after January 1, 2001;

6 6. Sales of any advertising, other than the advertising  
7 described by paragraph 5 of this section, via the Internet,  
8 electronic display devices, or through the electronic media,  
9 including radio, public address or broadcast systems, television  
10 (whether through closed circuit broadcasting systems or otherwise),  
11 and cable and satellite television, and the servicing of any  
12 advertising devices;

13 7. Eggs, feed, supplies, machinery, and equipment purchased by  
14 persons regularly engaged in the business of raising worms, fish,  
15 any insect, or any other form of terrestrial or aquatic animal life  
16 and used for the purpose of raising same for marketing. This  
17 exemption shall only be granted and extended to the purchaser when  
18 the items are to be used and in fact are used in the raising of  
19 animal life as set out above. Each purchaser shall certify, in  
20 writing, on the invoice or sales ticket retained by the vendor that  
21 the purchaser is regularly engaged in the business of raising such  
22 animal life and that the items purchased will be used only in such  
23 business. The vendor shall certify to the Oklahoma Tax Commission  
24 that the price of the items has been reduced to grant the full

1 benefit of the exemption. Violation hereof by the purchaser or  
2 vendor shall be a misdemeanor;

3 8. Sale of natural or artificial gas and electricity, and  
4 associated delivery or transmission services, when sold exclusively  
5 for residential use. Provided, this exemption shall not apply to  
6 any sales tax levied by a city or town, or a county, or any other  
7 jurisdiction in this state;

8 9. In addition to the exemptions authorized by Section 1357.6  
9 of this title, sales of drugs sold pursuant to a prescription  
10 written for the treatment of human beings by a person licensed to  
11 prescribe the drugs, and sales of insulin and medical oxygen.  
12 Provided, this exemption shall not apply to over-the-counter drugs;

13 10. Transfers of title or possession of empty, partially  
14 filled, or filled returnable oil and chemical drums to any person  
15 who is not regularly engaged in the business of selling, reselling,  
16 or otherwise transferring empty, partially filled, or filled  
17 returnable oil drums;

18 11. Sales of one-way utensils, paper napkins, paper cups,  
19 disposable hot containers, and other one-way carry out materials to  
20 a vendor of meals or beverages;

21 12. Sales of food or food products for home consumption which  
22 are purchased in whole or in part with coupons issued pursuant to  
23 the federal food stamp program as authorized by Sections 2011  
24 through 2029 of Title 7 of the United States Code, as to that

1 portion purchased with such coupons. The exemption provided for  
2 such sales shall be inapplicable to such sales upon the effective  
3 date of any federal law that removes the requirement of the  
4 exemption as a condition for participation by the state in the  
5 federal food stamp program;

6 13. Sales of food or food products, or any equipment or  
7 supplies used in the preparation of the food or food products to or  
8 by an organization which:

9 a. is exempt from taxation pursuant to the provisions of  
10 Section 501(c)(3) of the Internal Revenue Code, 26  
11 U.S.C., Section 501(c)(3), and which provides and  
12 delivers prepared meals for home consumption to  
13 elderly or homebound persons as part of a program  
14 commonly known as "Meals on Wheels" or "Mobile Meals",  
15 or

16 b. is exempt from taxation pursuant to the provisions of  
17 Section 501(c)(3) of the Internal Revenue Code, 26  
18 U.S.C., Section 501(c)(3), and which receives federal  
19 funding pursuant to the Older Americans Act of 1965,  
20 as amended, for the purpose of providing nutrition  
21 programs for the care and benefit of elderly persons;

22 14. a. Sales of tangible personal property or services to or  
23 by organizations which are exempt from taxation  
24 pursuant to the provisions of Section 501(c)(3) of the

1 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),  
2 and:

3 (1) are primarily involved in the collection and  
4 distribution of food and other household products  
5 to other organizations that facilitate the  
6 distribution of such products to the needy and  
7 such distributee organizations are exempt from  
8 taxation pursuant to the provisions of Section  
9 501(c)(3) of the Internal Revenue Code, 26  
10 U.S.C., Section 501(c)(3), or

11 (2) facilitate the distribution of such products to  
12 the needy.

13 b. Sales made in the course of business for profit or  
14 savings, competing with other persons engaged in the  
15 same or similar business shall not be exempt under  
16 this paragraph;

17 15. Sales of tangible personal property or services to  
18 children's homes which are located on church-owned property and are  
19 operated by organizations exempt from taxation pursuant to the  
20 provisions of the Internal Revenue Code, 26 U.S.C., Section  
21 501(c)(3);

22 16. Sales of computers, data processing equipment, related  
23 peripherals, and telephone, telegraph or telecommunications service  
24 and equipment for use in a qualified aircraft maintenance or

1 manufacturing facility. For purposes of this paragraph, "qualified  
2 aircraft maintenance or manufacturing facility" means a new or  
3 expanding facility primarily engaged in aircraft repair, building,  
4 or rebuilding whether or not on a factory basis, whose total cost of  
5 construction exceeds the sum of Five Million Dollars (\$5,000,000.00)  
6 and which employs at least two hundred fifty (250) new full-time-  
7 equivalent employees, as certified by the Oklahoma Employment  
8 Security Commission, upon completion of the facility. In order to  
9 qualify for the exemption provided for by this paragraph, the cost  
10 of the items purchased by the qualified aircraft maintenance or  
11 manufacturing facility shall equal or exceed the sum of Two Million  
12 Dollars (\$2,000,000.00);

13 17. Sales of tangible personal property consumed or  
14 incorporated in the construction or expansion of a qualified  
15 aircraft maintenance or manufacturing facility as defined in  
16 paragraph 16 of this section. For purposes of this paragraph, sales  
17 made to a contractor or subcontractor that has previously entered  
18 into a contractual relationship with a qualified aircraft  
19 maintenance or manufacturing facility for construction or expansion  
20 of such a facility shall be considered sales made to a qualified  
21 aircraft maintenance or manufacturing facility;

22 18. Sales of the following telecommunications services:

23 a. Interstate and International "800 service". "800  
24 service" means a "telecommunications service" that



1 allows a caller to dial a toll-free number without  
2 incurring a charge for the call. The service is  
3 typically marketed under the name "800", "855", "866",  
4 "877", and "888" toll-free calling, and any subsequent  
5 numbers designated by the Federal Communications  
6 Commission, ~~or~~

7 b. Interstate and International "900 service". "900  
8 service" means an inbound toll "telecommunications  
9 service" purchased by a subscriber that allows the  
10 subscriber's customers to call in to the subscriber's  
11 prerecorded announcement or live service. "900  
12 service" does not include the charge for: collection  
13 services provided by the seller of the  
14 "telecommunications services" to the subscriber, or  
15 service or product sold by the subscriber to the  
16 subscriber's customer. The service is typically  
17 marketed under the name "900" service, and any  
18 subsequent numbers designated by the Federal  
19 Communications Commission,

20 c. Interstate and International "private communications  
21 service". "Private communications service" means a  
22 "telecommunications service" that entitles the  
23 customer to exclusive or priority use of a  
24 communications channel or group of channels between or

1 among termination points, regardless of the manner in  
2 which such channel or channels are connected, and  
3 includes switching capacity, extension lines,  
4 stations, and any other associated services that are  
5 provided in connection with the use of such channel or  
6 channels,

7 d. "Value-added nonvoice data service". "Value-added  
8 nonvoice data service" means a service that otherwise  
9 meets the definition of "telecommunications services"  
10 in which computer processing applications are used to  
11 act on the form, content, code, or protocol of the  
12 information or data primarily for a purpose other than  
13 transmission, conveyance, or routing,

14 e. Interstate and International telecommunications  
15 service which is:

16 (1) rendered by a company for private use within its  
17 organization, or

18 (2) used, allocated, or distributed by a company to  
19 its affiliated group,

20 f. Regulatory assessments and charges, including charges  
21 to fund the Oklahoma Universal Service Fund, the  
22 Oklahoma Lifeline Fund and the Oklahoma High Cost  
23 Fund, and  
24

1           g. Telecommunications nonrecurring charges~~7~~ including but  
2           not limited to the installation, connection, change~~2~~  
3           or initiation of telecommunications services which are  
4           not associated with a retail consumer sale;

5           19. Sales of railroad track spikes manufactured and sold for  
6 use in this state in the construction or repair of railroad tracks,  
7 switches, sidings~~2~~ and turnouts;

8           20. Sales of aircraft and aircraft parts provided such sales  
9 occur at a qualified aircraft maintenance facility. As used in this  
10 paragraph, "qualified aircraft maintenance facility" means a  
11 facility operated by an air common carrier~~7~~ including one or more  
12 component overhaul support buildings or structures in an area owned,  
13 leased~~2~~ or controlled by the air common carrier, at which there were  
14 employed at least two thousand (2,000) full-time-equivalent  
15 employees in the preceding year as certified by the Oklahoma  
16 Employment Security Commission and which is primarily related to the  
17 fabrication, repair, alteration, modification, refurbishing,  
18 maintenance, building~~2~~ or rebuilding of commercial aircraft or  
19 aircraft parts used in air common carriage. For purposes of this  
20 paragraph, "air common carrier" shall also include members of an  
21 affiliated group as defined by Section 1504 of the Internal Revenue  
22 Code, 26 U.S.C., Section 1504. Beginning July 1, 2012, sales of  
23 machinery, tools, supplies, equipment~~2~~ and related tangible personal  
24 property and services used or consumed in the repair, remodeling~~2~~ or

1 maintenance of aircraft, aircraft engines, or aircraft component  
2 parts which occur at a qualified aircraft maintenance facility;

3 21. Sales of machinery and equipment purchased and used by  
4 persons and establishments primarily engaged in computer services  
5 and data processing:

6 a. as defined under Industrial Group Numbers 7372 and  
7 7373 of the Standard Industrial Classification (SIC)  
8 Manual, latest version, which derive at least fifty  
9 percent (50%) of their annual gross revenues from the  
10 sale of a product or service to an out-of-state buyer  
11 or consumer, and

12 b. as defined under Industrial Group Number 7374 of the  
13 SIC Manual, latest version, which derive at least  
14 eighty percent (80%) of their annual gross revenues  
15 from the sale of a product or service to an out-of-  
16 state buyer or consumer.

17 Eligibility for the exemption set out in this paragraph shall be  
18 established, subject to review by the Tax Commission, by annually  
19 filing an affidavit with the Tax Commission stating that the  
20 facility so qualifies and such information as required by the Tax  
21 Commission. For purposes of determining whether annual gross  
22 revenues are derived from sales to out-of-state buyers or consumers,  
23 all sales to the federal government shall be considered to be to an  
24 out-of-state buyer or consumer;

1       22. Sales of prosthetic devices to an individual for use by  
2 such individual. For purposes of this paragraph, "prosthetic  
3 device" shall have the same meaning as provided in Section 1357.6 of  
4 this title, but shall not include corrective eye glasses, contact  
5 lenses, or hearing aids;

6       23. Sales of tangible personal property or services to a motion  
7 picture or television production company to be used or consumed in  
8 connection with an eligible production. For purposes of this  
9 paragraph, "eligible production" means a documentary, special, music  
10 video, or a television commercial or television program that will  
11 serve as a pilot for or be a segment of an ongoing dramatic or  
12 situation comedy series filmed or taped for network or national or  
13 regional syndication or a feature-length motion picture intended for  
14 theatrical release or for network or national or regional  
15 syndication or broadcast. The provisions of this paragraph shall  
16 apply to sales occurring on or after July 1, 1996. In order to  
17 qualify for the exemption, the motion picture or television  
18 production company shall file any documentation and information  
19 required to be submitted pursuant to rules promulgated by the Tax  
20 Commission;

21       24. Sales of diesel fuel sold for consumption by commercial  
22 vessels, barges and other commercial watercraft;

23       25. Sales of tangible personal property or services to tax-  
24 exempt independent nonprofit biomedical research foundations that

1 provide educational programs for Oklahoma science students and  
2 teachers and to tax-exempt independent nonprofit community blood  
3 banks headquartered in this state;

4 26. Effective May 6, 1992, sales of wireless telecommunications  
5 equipment to a vendor who subsequently transfers the equipment at no  
6 charge or for a discounted charge to a consumer as part of a  
7 promotional package or as an inducement to commence or continue a  
8 contract for wireless telecommunications services;

9 27. Effective January 1, 1991, leases of rail transportation  
10 cars to haul coal to coal-fired plants located in this state which  
11 generate electric power;

12 28. Beginning July 1, 2005, sales of aircraft engine repairs,  
13 modification, and replacement parts, sales of aircraft frame repairs  
14 and modification, aircraft interior modification, and paint, and  
15 sales of services employed in the repair, modification, and  
16 replacement of parts of aircraft engines, aircraft frame and  
17 interior repair and modification, and paint;

18 29. Sales of materials and supplies to the owner or operator of  
19 a ship, motor vessel, or barge that is used in interstate or  
20 international commerce if the materials and supplies:

21 a. are loaded on the ship, motor vessel, or barge and  
22 used in the maintenance and operation of the ship,  
23 motor vessel, or barge, or

24

1           b.    enter into and become component parts of the ship,  
2                    motor vessel, or barge;

3           30.   Sales of tangible personal property made at estate sales at  
4 which such property is offered for sale on the premises of the  
5 former residence of the decedent by a person who is not required to  
6 be licensed pursuant to the Transient Merchant Licensing Act, or who  
7 is not otherwise required to obtain a sales tax permit for the sale  
8 of such property pursuant to the provisions of Section 1364 of this  
9 title; provided:

10           a.    such sale or event may not be held for a period  
11                    exceeding three (3) consecutive days,

12           b.    the sale must be conducted within six (6) months of  
13                    the date of death of the decedent, and

14           c.    the exemption allowed by this paragraph shall not be  
15                    allowed for property that was not part of the  
16                    decedent's estate;

17           31.   Beginning January 1, 2004, sales of electricity and  
18 associated delivery and transmission services, when sold exclusively  
19 for use by an oil and gas operator for reservoir dewatering projects  
20 and associated operations commencing on or after July 1, 2003, in  
21 which the initial water-to-oil ratio is greater than or equal to  
22 five-to-one water-to-oil, and such oil and gas development projects  
23 have been classified by the Corporation Commission as a reservoir  
24 dewatering unit;

1       32. Sales of prewritten computer software that is delivered  
2 electronically. For purposes of this paragraph, "delivered  
3 electronically" means delivered to the purchaser by means other than  
4 tangible storage media;

5       33. Sales of modular dwelling units when built at a production  
6 facility and moved in whole or in parts, to be assembled on-site,  
7 and permanently affixed to the real property and used for  
8 residential or commercial purposes. The exemption provided by this  
9 paragraph shall equal forty-five percent (45%) of the total sales  
10 price of the modular dwelling unit. For purposes of this paragraph,  
11 "modular dwelling unit" means a structure that is not subject to the  
12 motor vehicle excise tax imposed pursuant to Section 2103 of this  
13 title;

14       34. Sales of tangible personal property or services to persons  
15 who are residents of Oklahoma and have been honorably discharged  
16 from active service in any branch of the Armed Forces of the United  
17 States or Oklahoma National Guard and who have been certified by the  
18 United States Department of Veterans Affairs or its successor to be  
19 in receipt of disability compensation at the one-hundred-percent  
20 rate and the disability shall be permanent and have been sustained  
21 through military action or accident or resulting from disease  
22 contracted while in such active service or the surviving spouse of  
23 such person if the person is deceased and the spouse has not  
24 remarried; provided, sales for the benefit of the person to a spouse



1 of the eligible person or to a member of the household in which the  
2 eligible person resides and who is authorized to make purchases on  
3 the person's behalf, when such eligible person is not present at the  
4 sale, shall also be exempt for purposes of this paragraph. The  
5 Oklahoma Tax Commission shall issue a separate exemption card to a  
6 spouse of an eligible person or to a member of the household in  
7 which the eligible person resides who is authorized to make  
8 purchases on the person's behalf, if requested by the eligible  
9 person. Sales qualifying for the exemption authorized by this  
10 paragraph shall not exceed Twenty-five Thousand Dollars (\$25,000.00)  
11 per year per individual while the disabled veteran is living. Sales  
12 qualifying for the exemption authorized by this paragraph shall not  
13 exceed One Thousand Dollars (\$1,000.00) per year for an unremarried  
14 surviving spouse. Upon request of the Tax Commission, a person  
15 asserting or claiming the exemption authorized by this paragraph  
16 shall provide a statement, executed under oath, that the total sales  
17 amounts for which the exemption is applicable have not exceeded  
18 Twenty-five Thousand Dollars (\$25,000.00) per year per living  
19 disabled veteran or One Thousand Dollars (\$1,000.00) per year for an  
20 unremarried surviving spouse. If the amount of such exempt sales  
21 exceeds such amount, the sales tax in excess of the authorized  
22 amount shall be treated as a direct sales tax liability and may be  
23 recovered by the Tax Commission in the same manner provided by law  
24 for other taxes, including penalty and interest;

1           35. Sales of electricity to the operator, specifically  
2 designated by the Corporation Commission, of a spacing unit or lease  
3 from which oil is produced or attempted to be produced using  
4 enhanced recovery methods, including, but not limited to, increased  
5 pressure in a producing formation through the use of water or  
6 saltwater if the electrical usage is associated with and necessary  
7 for the operation of equipment required to inject or circulate  
8 fluids in a producing formation for the purpose of forcing oil or  
9 petroleum into a wellbore for eventual recovery and production from  
10 the wellhead. In order to be eligible for the sales tax exemption  
11 authorized by this paragraph, the total content of oil recovered  
12 after the use of enhanced recovery methods shall not exceed one  
13 percent (1%) by volume. The exemption authorized by this paragraph  
14 shall be applicable only to the state sales tax rate and shall not  
15 be applicable to any county or municipal sales tax rate;

16           36. Sales of intrastate charter and tour bus transportation.  
17 As used in this paragraph, "intrastate charter and tour bus  
18 transportation" means the transportation of persons from one  
19 location in this state to another location in this state in a motor  
20 vehicle which has been constructed in such a manner that it may  
21 lawfully carry more than eighteen persons, and which is ordinarily  
22 used or rented to carry persons for compensation. Provided, this  
23 exemption shall not apply to regularly scheduled bus transportation  
24 for the general public;

1        37. Sales of vitamins, minerals, and dietary supplements by a  
2 licensed chiropractor to a person who is the patient of such  
3 chiropractor at the physical location where the chiropractor  
4 provides chiropractic care or services to such patient. The  
5 provisions of this paragraph shall not be applicable to any drug,  
6 medicine, or substance for which a prescription by a licensed  
7 physician is required;

8        38. Sales of goods, wares, merchandise, tangible personal  
9 property, machinery, and equipment to a web search portal located in  
10 this state which derives at least eighty percent (80%) of its annual  
11 gross revenue from the sale of a product or service to an out-of-  
12 state buyer or consumer. For purposes of this paragraph, "web  
13 search portal" means an establishment classified under NAICS code  
14 519130 which operates websites that use a search engine to generate  
15 and maintain extensive databases of Internet addresses and content  
16 in an easily searchable format;

17        39. Sales of tangible personal property consumed or  
18 incorporated in the construction or expansion of a facility for a  
19 corporation organized under Section 437 et seq. of Title 18 of the  
20 Oklahoma Statutes as a rural electric cooperative. For purposes of  
21 this paragraph, sales made to a contractor or subcontractor that has  
22 previously entered into a contractual relationship with a rural  
23 electric cooperative for construction or expansion of a facility  
24 shall be considered sales made to a rural electric cooperative;

1           40. Sales of tangible personal property or services to a  
2 business primarily engaged in the repair of consumer electronic  
3 goods, including, but not limited to, cell phones, compact disc  
4 players, personal computers, MP3 players, digital devices for the  
5 storage and retrieval of information through hard-wired or wireless  
6 computer or Internet connections, if the devices are sold to the  
7 business by the original manufacturer of such devices and the  
8 devices are repaired, refitted, or refurbished for sale by the  
9 entity qualifying for the exemption authorized by this paragraph  
10 directly to retail consumers or if the devices are sold to another  
11 business entity for sale to retail consumers;

12           41. On or after July 1, 2019, and prior to July 1, 2024, sales  
13 or leases of rolling stock when sold or leased by the manufacturer,  
14 regardless of whether the purchaser is a public services corporation  
15 engaged in business as a common carrier of property or passengers by  
16 railway, for use or consumption by a common carrier directly in the  
17 rendition of public service. For purposes of this paragraph,  
18 "rolling stock" means locomotives, autocars, and railroad cars and  
19 "sales or leases" includes railroad car maintenance and retrofitting  
20 of railroad cars for their further use only on the railways;

21           42. Sales of gold, silver, platinum, palladium, or other  
22 bullion items such as coins and bars and legal tender of any nation,  
23 which legal tender is sold according to its value as precious metal  
24 or as an investment. As used in the paragraph, "bullion" means any

1 precious metal, including, but not limited to, gold, silver,  
2 platinum, and palladium, that is in such a state or condition that  
3 its value depends upon its precious metal content and not its form.  
4 The exemption authorized by this paragraph shall not apply to  
5 fabricated metals that have been processed or manufactured for  
6 artistic use or as jewelry; and

7 43. Until January 2027, sales of commercial forestry service  
8 equipment, limited to forwarders, fellers, bunchers, track skidders,  
9 wheeled skidders, hydraulic excavators, delimiters, soil compactors  
10 and skid steer loaders, to businesses engaged in logging, timber and  
11 tree farming; and

12 44. Sales of feminine hygiene products. The exemption  
13 authorized by this paragraph shall be administered in the form of a  
14 refund from the sales tax revenues apportioned pursuant to Section  
15 1353 of this title, and the vendor shall be required to collect the  
16 sales tax otherwise applicable to the transaction. The purchaser  
17 may apply for a refund of the state sales tax paid in the manner  
18 prescribed by this paragraph. Within sixty (60) days after the end  
19 of each calendar year, any purchaser that is entitled to make  
20 application for a refund based upon the exempt treatment authorized  
21 by this paragraph may file an application for refund of the state  
22 sales taxes paid during the preceding calendar year and shall  
23 furnish receipts documenting the exempt purchases made with the  
24 application. The Tax Commission shall prescribe a form for purposes

1 of making the application for refund. For the purposes of this  
2 paragraph, "feminine hygiene products" means tampons, panty liners,  
3 menstrual cups, sanitary napkins, and other similar tangible  
4 personal property designed for feminine hygiene in connection with  
5 the human menstrual cycle.

6 SECTION 5. This act shall become effective November 1, 2022.

7 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
8 March 2, 2022 - DO PASS AS AMENDED  
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