

1 **SENATE FLOOR VERSION**

2 February 24, 2021

3 SENATE BILL NO. 265

By: Matthews of the Senate

4 and

5 Nichols of the House

6
7
8 An Act relating to sales tax exemptions; amending 68
9 O.S. 2011, Section 1356, as last amended by Section
10 1, Chapter 413, O.S.L. 2019 (68 O.S. Supp. 2020,
11 Section 1356), which relates to sales tax exemptions
for governmental and nonprofit entities; exempting
from sales tax certain sales or services to city-
county libraries; and providing an effective date.

12
13
14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

18 Section 1356. Exemptions - Governmental and nonprofit entities.

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

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

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

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

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

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

1 the premises of the fair authority in conjunction with and during
2 the time period of a county, district or state fair;

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

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

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

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

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

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

24

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

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

8 11. Sales of tangible personal property or services to private
9 institutions of higher education and private elementary and
10 secondary institutions of education accredited by the State
11 Department of Education or registered by the State Board of
12 Education for purposes of participating in federal programs or
13 accredited as defined by the Oklahoma State Regents for Higher
14 Education which are exempt from taxation pursuant to the provisions
15 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) ~~7~~
16 including materials, supplies ~~7~~ and equipment used in the
17 construction and improvement of buildings and other structures owned
18 by the institutions and operated for educational purposes.

19 Any person, firm, agency or entity making purchases on behalf of
20 any institution, agency or subdivision in this state, shall certify
21 in writing, on the copy of the invoice or sales ticket the nature of
22 the purchases, and violation of this paragraph shall be a
23 misdemeanor as set forth in paragraph 10 of this section;

24

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

- 9 13. a. Sales of tangible personal property made by:
- 10 (1) a public school,
 - 11 (2) a private school offering instruction for grade
12 levels kindergarten through twelfth grade,
 - 13 (3) a public school district,
 - 14 (4) a public or private school board,
 - 15 (5) a public or private school student group or
16 organization,
 - 17 (6) a parent-teacher association or organization
18 other than as specified in subparagraph b of this
19 paragraph, or
 - 20 (7) public or private school personnel for purposes
21 of raising funds for the benefit of a public or
22 private school, public school district, public or
23 private school board or public or private school
24 student group or organization, or

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

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

15 14. Sales of tangible personal property by:

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

22 The exemption provided by this paragraph shall be limited to
23 sales for the purpose of raising funds for the benefit of such
24

1 organizations. Sale of tangible personal property exempted by this
2 paragraph shall include sale of admission tickets;

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

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

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

24

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

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

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

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

22 21. Sales of tangible personal property or services to any
23 organization, which takes court-adjudicated juveniles for purposes
24 of rehabilitation, and which is exempt from taxation pursuant to the

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

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

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

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

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

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

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

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

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

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~~7~~ 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~~7~~ 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~~7~~ or other vehicle of a class or type required to be
16 registered, licensed, titled~~7~~ 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~~7~~ or
21 repairing of any space facility, space propulsion systems or space
22 vehicle, satellite~~7~~ or station possessing space flight capacity~~7~~
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.

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

7 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
8 February 24, 2021 - DO PASS
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24