

1 STATE OF OKLAHOMA

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

3 SENATE BILL 265

By: Matthews

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5
6 AS INTRODUCED

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

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
the performance of any contract with the United States government,

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

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

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

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

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

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

16 7. Sale of tangible personal property or services to or by
17 churches, except sales made in the course of business for profit or
18 savings, competing with other persons engaged in the same or a
19 similar business or sale of tangible personal property or services
20 by an organization exempt from federal income tax pursuant to
21 Section 501(c) (3) of the Internal Revenue Code of 1986, as amended,
22 made on behalf of or at the request of a church or churches if the
23 sale of such property is conducted not more than once each calendar
24 year for a period not to exceed three (3) days by the organization

1 and proceeds from the sale of such property are used by the church
2 or churches or by the organization for charitable purposes;

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

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

22 10. Sale of tangible personal property or services to any
23 county, municipality, rural water district, public school district,
24 city-county library system, the institutions of The Oklahoma State

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

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

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

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

21 12. Tuition and educational fees paid to private institutions
22 of higher education and private elementary and secondary
23 institutions of education accredited by the State Department of
24 Education or registered by the State Board of Education for purposes

1 of participating in federal programs or accredited as defined by the
2 Oklahoma State Regents for Higher Education which are exempt from
3 taxation pursuant to the provisions of the Internal Revenue Code, 26
4 U.S.C., Section 501(c)(3);

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

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

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

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

11 14. Sales of tangible personal property by:

- 12 a. local 4-H clubs,
- 13 b. county, regional or state 4-H councils,
- 14 c. county, regional or state 4-H committees,
- 15 d. 4-H leader associations,
- 16 e. county, regional or state 4-H foundations, and
- 17 f. authorized 4-H camps and training centers.

18 The exemption provided by this paragraph shall be limited to
19 sales for the purpose of raising funds for the benefit of such
20 organizations. Sale of tangible personal property exempted by this
21 paragraph shall include sale of admission tickets;

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

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

9 17. Sales of tangible personal property or services to fire
10 departments organized pursuant to Section 592 of Title 18 of the
11 Oklahoma Statutes which items are to be used for the purposes of the
12 fire department. Any person making purchases on behalf of any such
13 fire department shall certify, in writing, on the copy of the
14 invoice or sales ticket to be retained by the vendor that the
15 purchases are made for and on behalf of such fire department and set
16 out the name of such fire department. Any person who wrongfully or
17 erroneously certifies that the purchases are for any such fire
18 department or who otherwise violates the provisions of this section
19 shall be deemed guilty of a misdemeanor and upon conviction thereof,
20 shall be fined an amount equal to double the amount of sales tax
21 involved or incarcerated for not more than sixty (60) days, or both;

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

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

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

17 21. Sales of tangible personal property or services to any
18 organization, which takes court-adjudicated juveniles for purposes
19 of rehabilitation, and which is exempt from taxation pursuant to the
20 provisions of the Internal Revenue Code, 26 U.S.C., Section
21 501(c)(3), provided that at least fifty percent (50%) of the
22 juveniles served by such organization are court adjudicated and the
23 organization receives state funds in an amount less than ten percent
24 (10%) of the annual budget of the organization;

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

2 a. any health center as defined in Section 254b of Title
3 42 of the United States Code,

4 b. any clinic receiving disbursements of state monies
5 from the Indigent Health Care Revolving Fund pursuant
6 to the provisions of Section 66 of Title 56 of the
7 Oklahoma Statutes,

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

10 (1) provides primary care services at no cost to the
11 recipient, and

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

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

17 23. Dues or fees, including free or complimentary dues or fees
18 which have a value equivalent to the charge that could have
19 otherwise been made, to YMCAs, YWCAs or municipally-owned recreation
20 centers for the use of facilities and programs;

21 24. The first Fifteen Thousand Dollars (\$15,000.00) each year
22 from sales of tangible personal property or services to or by a
23 cultural organization established to sponsor and promote
24 educational, charitable and cultural events for disadvantaged

1 children, and which organization is exempt from taxation pursuant to
2 the provisions of the Internal Revenue Code, 26 U.S.C., Section
3 501(c) (3);

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

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

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

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

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

15 30. Transfer of tangible personal property made pursuant to
16 Section 3226 of Title 63 of the Oklahoma Statutes by the University
17 Hospitals Trust;

18 31. Sales of tangible personal property or services to a
19 municipality, county or school district pursuant to a lease or
20 lease-purchase agreement executed between the vendor and a
21 municipality, county or school district. A copy of the lease or
22 lease-purchase agreement shall be retained by the vendor;

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

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

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

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

20 35. The sale, lease, use, storage, consumption, or distribution
21 in this state of tangible personal property, placed on or used
22 aboard any space facility, space propulsion system or space vehicle,
23 satellite, or station possessing space flight capacity, which is
24 launched into space, irrespective of whether such tangible property

1 is returned to this state for subsequent use, storage, or
2 consumption in any manner;

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

19 37. The purchase or lease of machinery and equipment for use at
20 a fixed location in this state, which is used exclusively in the
21 manufacturing, processing, compounding, or producing of any space
22 facility, space propulsion system or space vehicle, satellite, or
23 station of any kind possessing space flight capacity. Provided, the
24 exemption provided for in this paragraph shall not be allowed unless

1 the purchaser or lessee signs an affidavit stating that the item or
2 items to be exempted are for the exclusive use designated herein.
3 Any person furnishing a false affidavit to the vendor for the
4 purpose of evading payment of any tax imposed by Section 1354 of
5 this title shall be subject to the penalties provided by law. As
6 used in this paragraph, "machinery and equipment" means "section 38
7 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the
8 Internal Revenue Code of 1986, which is used as an integral part of
9 the manufacturing, processing, compounding, or producing of items of
10 tangible personal property. Such term includes parts and
11 accessories only to the extent that the exemption thereof is
12 consistent with the provisions of this paragraph;

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

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

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

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

12 42. Sales of tangible personal property or services by an
13 organization which is exempt from taxation pursuant to the
14 provisions of the Internal Revenue Code, 26 U.S.C., Section
15 501(c) (3), in the course of conducting a national championship
16 sports event, but only if all or a portion of the payment in
17 exchange therefor would qualify as the receipt of a qualified
18 sponsorship payment described in Internal Revenue Code, 26 U.S.C.,
19 Section 513(i). Sales exempted pursuant to this paragraph shall be
20 exempt from all Oklahoma sales, use, excise and gross receipts
21 taxes;

22 43. Sales of tangible personal property or services to or by an
23 organization which:
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- 1 a. is exempt from taxation pursuant to the provisions of
2 the Internal Revenue Code, 26 U.S.C., Section
3 501(c)(3),
4 b. is affiliated with a comprehensive university within
5 The Oklahoma State System of Higher Education, and
6 c. has been organized primarily for the purpose of
7 providing education and teacher training and
8 conducting events relating to robotics;

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

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

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

1 501(c) (3) and is operating the Oklahoma City National Memorial and
2 Museum, an affiliate of the National Park System;

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

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

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

21 50. Effective July 1, 2005, sales of tangible personal property
22 or services to the Career Technology Student Organizations under the
23 direction and supervision of the Oklahoma Department of Career and
24 Technology Education;

1 51. Sales of tangible personal property to a public trust
2 having either a single city, town or county or multiple cities,
3 towns or counties or combination thereof as beneficiary or
4 beneficiaries or a nonprofit organization which is exempt from
5 taxation pursuant to the provisions of the Internal Revenue Code, 26
6 U.S.C., Section 501(c)(3) for the purpose of constructing
7 improvements to or expanding a hospital or nursing home owned and
8 operated by any such public trust or nonprofit entity prior to July
9 1, 2008, in counties with a population of less than one hundred
10 thousand (100,000) persons, according to the most recent Federal
11 Decennial Census. As used in this paragraph, "constructing
12 improvements to or expanding" shall not mean any expense for routine
13 maintenance or general repairs and shall require a project cost of
14 at least One Hundred Thousand Dollars (\$100,000.00). For purposes
15 of this paragraph, sales made to a contractor or subcontractor that
16 enters into a contractual relationship with a public trust or
17 nonprofit entity as described by this paragraph shall be considered
18 sales made to the public trust or nonprofit entity. The exemption
19 authorized by this paragraph shall be administered in the form of a
20 refund from the sales tax revenues apportioned pursuant to Section
21 1353 of this title and the vendor shall be required to collect the
22 sales tax otherwise applicable to the transaction. The purchaser
23 may apply for a refund of the sales tax paid in the manner
24 prescribed by this paragraph. Within thirty (30) days after the end

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

23 52. Effective July 1, 2006, sales of tangible personal property
24 or services to any organization which assists, trains, educates, and

1 provides housing for physically and mentally handicapped persons and
2 which is exempt from taxation pursuant to the provisions of the
3 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and that
4 receives at least eighty-five percent (85%) of its annual budget
5 from state or federal funds. In order to receive the benefit of the
6 exemption authorized by this paragraph, the taxpayer shall be
7 required to make payment of the applicable sales tax at the time of
8 sale to the vendor in the manner otherwise required by law.

9 Notwithstanding any other provision of the Oklahoma Uniform Tax
10 Procedure Code to the contrary, the taxpayer shall be authorized to
11 file a claim for refund of sales taxes paid that qualify for the
12 exemption authorized by this paragraph for a period of one (1) year
13 after the date of the sale transaction. The taxpayer shall be
14 required to provide documentation as may be prescribed by the
15 Oklahoma Tax Commission in support of the refund claim. The total
16 amount of sales tax qualifying for exempt treatment pursuant to this
17 paragraph shall not exceed One Hundred Seventy-five Thousand Dollars
18 (\$175,000.00) each fiscal year. Claims for refund shall be
19 processed in the order in which such claims are received by the
20 Oklahoma Tax Commission. If a claim otherwise timely filed exceeds
21 the total amount of refunds payable for a fiscal year, such claim
22 shall be barred;

23 53. The first Two Thousand Dollars (\$2,000.00) each year of
24 sales of tangible personal property or services to, by, or for the

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

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

22 55. Sales of tangible personal property or services to or by an
23 organization which is exempt from taxation pursuant to the
24 provisions of the Internal Revenue Code, 26 U.S.C., Section
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1 501(c) (3) for events the principal purpose of which is to provide
2 funding for the preservation of wetlands and habitat for wild ducks;

3 56. 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) for events the principal purpose of which is to provide
7 funding for the preservation and conservation of wild turkeys;

8 57. Sales of tangible personal property or services to an
9 organization which:

10 a. is exempt from taxation pursuant to the provisions of
11 the Internal Revenue Code, 26 U.S.C., Section
12 501(c) (3), and

13 b. is part of a network of community-based, autonomous
14 member organizations that meets the following
15 criteria:

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

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

22 (3) collects donated clothing and household goods to
23 sell in retail stores and provides contract labor
24 services to business and government, and

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

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

21 59. Sales of tickets for admission and complimentary or free
22 tickets for admission which have a value equivalent to the charge
23 that would have otherwise been made to a professional sporting event
24 involving ice hockey, baseball, basketball, football or arena
25

1 football, or soccer. As used in this paragraph, "professional
2 sporting event" means an organized athletic competition between
3 teams that are members of an organized league or association with
4 centralized management, other than a national league or national
5 association, that imposes requirements for participation in the
6 league upon the teams, the individual athletes or both, and which
7 uses a salary structure to compensate the athletes;

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

15 61. Sales of tangible personal property or services to an
16 organization, which is exempt from taxation pursuant to the
17 provisions of the Internal Revenue Code, 26 U.S.C., Section
18 501(c)(3), and which is itself a member of an organization which is
19 exempt from taxation pursuant to the provisions of the Internal
20 Revenue Code, 26 U.S.C., Section 501(c)(3), if the membership
21 organization is primarily engaged in advancing the purposes of its
22 member organizations through fundraising, public awareness or other
23 efforts for the benefit of its member organizations, and if the
24 member organization is primarily engaged either in providing

1 educational services and programs concerning health-related diseases
2 and conditions to individuals suffering from such health-related
3 diseases and conditions or their caregivers and family members or
4 support to such individuals, or in health-related research as to
5 such diseases and conditions, or both. In order to qualify for the
6 exemption authorized by this paragraph, the member nonprofit
7 organization shall be required to provide proof to the Oklahoma Tax
8 Commission of its membership status in the membership organization;

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

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

18 64. Sales of tangible personal property or services to or by a
19 veteran's organization which is exempt from taxation pursuant to the
20 provisions of the Internal Revenue Code, 26 U.S.C., Section
21 501(c)(19) and which is known as the Veterans of Foreign Wars of the
22 United States, Oklahoma Chapters;

23 65. Sales of boxes of food by a church or by an organization,
24 which is exempt from taxation pursuant to the provisions of the

1 Internal Revenue Code, 26 U.S.C., Section 501(c)(3). To qualify
2 under the provisions of this paragraph, the organization must be
3 organized for the primary purpose of feeding needy individuals or to
4 encourage volunteer service by requiring such service in order to
5 purchase food. These boxes shall only contain edible staple food
6 items;

7 66. Sales of tangible personal property or services to any
8 person with whom a church has duly entered into a construction
9 contract, necessary for carrying out such contract or to any
10 subcontractor to such a construction contract;

11 67. Sales of tangible personal property or services used
12 exclusively for charitable or educational purposes, to or by an
13 organization which:

- 14 a. is exempt from taxation pursuant to the provisions of
15 the Internal Revenue Code, 26 U.S.C., Section
16 501(c)(3),
- 17 b. has filed a Not-for-Profit Certificate of
18 Incorporation in this state, and
- 19 c. is organized for the purpose of:
 - 20 (1) providing training and education to
21 developmentally disabled individuals,
 - 22 (2) educating the community about the rights,
23 abilities and strengths of developmentally
24 disabled individuals, and

1 (3) promoting unity among developmentally disabled
2 individuals in their community and geographic
3 area;

4 68. Sales of tangible personal property or services to any
5 organization which is a shelter for abused, neglected, or abandoned
6 children and which is exempt from taxation pursuant to the
7 provisions of the Internal Revenue Code, 26 U.S.C., Section
8 501(c)(3); provided, until July 1, 2008, such exemption shall apply
9 only to eligible shelters for children from birth to age twelve (12)
10 and after July 1, 2008, such exemption shall apply to eligible
11 shelters for children from birth to age eighteen (18);

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

- 15 a. possesses a 3-star rating from the Department of Human
16 Services Reaching for the Stars Program or a national
17 accreditation, and
18 b. allows on site universal pre-kindergarten education to
19 be provided to four-year-old children through a
20 contractual agreement with any public school or school
21 district.

22 For the purposes of this paragraph, sales made to any person,
23 firm, agency or entity that has entered previously into a
24 contractual relationship with a child care center for construction

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

12 70. a. Sales of tangible personal property to a service
13 organization of mothers who have children who are
14 serving or who have served in the military, which
15 service organization is exempt from taxation pursuant
16 to the provisions of the Internal Revenue Code, 26
17 U.S.C., Section 501(c)(19) and which is known as the
18 Blue Star Mothers of America, Inc. The exemption
19 provided by this paragraph shall only apply to the
20 purchase of tangible personal property actually sent
21 to United States military personnel overseas who are
22 serving in a combat zone and not to any other tangible
23 personal property purchased by the organization.
24 Provided, this exemption shall not apply to any sales

1 tax levied by a city, town, county, or any other
2 jurisdiction in this state.

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

18 c. A purchaser who applies for a refund pursuant to this
19 paragraph shall certify that the items were actually
20 sent to military personnel overseas in a combat zone.
21 Any purchaser that applies for a refund for the
22 purchase of items that are not authorized for
23 exemption under this paragraph shall be subject to a
24

1 penalty in the amount of Five Hundred Dollars
2 (\$500.00);

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

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

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

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

9 74. Sales of tangible personal property or services:

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

18 b. to or by a grassroots fundraising program for sales
19 related to events to raise funds for a foundation
20 meeting the qualifications of subparagraph a of this
21 paragraph;

22 75. Sales by an organization or entity which is exempt from
23 taxation pursuant to the provisions of the Internal Revenue Code, 26
24 U.S.C., Section 501(c)(3) which are related to a fundraising event

1 sponsored by the organization or entity when the event does not
2 exceed any five (5) consecutive days and when the sales are not in
3 the organization's or the entity's regular course of business.

4 Provided, the exemption provided in this paragraph shall be limited
5 to tickets sold for admittance to the fundraising event and items
6 which were donated to the organization or entity for sale at the
7 event;

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

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

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

1 79. Sales of tangible personal property or services to the
2 American Legion, whether the purchase is made by the entity
3 chartered by the United States Congress or is an entity organized
4 under the laws of this or another state pursuant to the authority of
5 the national American Legion organization; and

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

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

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

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