

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 HOUSE BILL NO. 2234

6 By: Lawson

7 COMMITTEE SUBSTITUTE

8 An Act relating to revenue and taxation; requiring  
9 sale for resale tax permits; providing permit to be  
10 obtained without charge; requiring vendors to honor  
11 sale for resale permits; providing for utilization of  
12 electronic verification; providing certain conduct  
13 prohibited by vendors with respect to sales for  
14 resale; providing for expiration of sale for resale  
15 permits; providing for system of verification;  
16 imposing duties on Oklahoma Tax Commission with  
17 respect to verification systems; providing for  
18 codification; providing an effective date; and  
19 declaring an emergency.

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

21 SECTION 1. NEW LAW A new section of law to be codified  
22 in the Oklahoma Statutes as Section 1364.4 of Title 68, unless there  
23 is created a duplication in numbering, reads as follows:

24 A. To utilize the Sale for Resale sales tax exemption, a  
separate Sale for Resale exemption permit for each business to be  
operated must be obtained from the Oklahoma Tax Commission. The  
permit may be obtained at no charge. The Oklahoma Tax Commission

1 shall grant and issue to each applicant a Sale for Resale permit for  
2 each business in this state, upon proper application therefor and  
3 verification thereof by the Oklahoma Tax Commission. A business  
4 with multiple locations in this state may operate under one Sale for  
5 Resale permit. The Oklahoma Tax Commission may additionally provide  
6 for the access to a granted and issued permit electronically, or by  
7 other such means as established by the Oklahoma Tax Commission.

8 B. All vendors shall honor a valid Sale for Resale permit for  
9 sales tax exemption as authorized under this section and may utilize  
10 the verification procedures outlined in subsection E of this  
11 section, and sales to a person providing such proof shall be exempt  
12 from the tax levied by Section 1350 et seq. of this title.

13 C. It shall be unlawful for any person designated as a Group  
14 One, Group Two, Group Three or Group Four vendor, pursuant to  
15 Section 1363 of this title, to claim a sale for resale exemption  
16 within this state unless a Sale for Resale permit or permits shall  
17 have been issued to such person. Any person who claims a sale for  
18 resale exemption subject to the provisions of this section without a  
19 Sale for Resale permit or permits, or after a Sale for Resale permit  
20 has been suspended, upon conviction, shall be guilty of a  
21 misdemeanor punishable by a fine of not more than One Thousand  
22 Dollars (\$1,000.00).

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1 D. All Sale for Resale permits issued under the provisions of  
2 this section shall expire at 11:59 p.m. on the next June 30  
3 following the effective date of issuance.

4 E. If the Oklahoma Tax Commission develops and adopts an  
5 electronic system for exchanging information with sellers regarding  
6 Sale for Resale permit numbers of purchasers who are seeking to make  
7 purchases for resale, sellers may use the system to verify the  
8 validity of the Sale for Resale permit number. The Oklahoma Tax  
9 Commission shall provide such sellers, free of charge, verification  
10 of whether the Sale for Resale permit numbers are valid. The  
11 Oklahoma Tax Commission shall also provide a seller a transaction  
12 code authorizing the seller to sell items purchased for resale to  
13 purchasers who hold a valid Sale for Resale permit. A seller that  
14 verifies a purchaser's permit number as outlined in this subsection  
15 shall create a presumption that the sale was a valid sale for resale  
16 exemption.

17 SECTION 2. This act shall become effective July 1, 2023.

18 SECTION 3. It being immediately necessary for the preservation  
19 of the public peace, health or safety, an emergency is hereby  
20 declared to exist, by reason whereof this act shall  
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1 take effect and be in full force from and after its passage and  
2 approval.

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