

1 ENGROSSED SENATE  
BILL NO. 1438

By: Rader of the Senate

2  
3 and

4 Fetgatter of the House  
5

6 An Act relating to heavy equipment rental fees;  
7 defining terms; authorizing imposition of recovery  
8 fee with respect to heavy equipment; requiring  
9 retention of fee; specifying purpose of fee;  
10 providing certain transactions exempt from fee  
11 requirement; requiring submission of report;  
12 prohibiting imposition of sales tax on recovery fee  
13 amounts; amending 68 O.S. 2021, Section 1357, as last  
14 amended by Section 1, Chapter 344, O.S.L. 2023 (68  
15 O.S. Supp. 2023, Section 1357), which relates to  
16 sales tax exemption; exempting recovery fees;  
17 updating statutory language; providing for  
18 codification; and providing an effective date.

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

20 SECTION 1. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 2807.10 of Title 68, unless  
22 there is created a duplication in numbering, reads as follows:

23 As used in this act:

24 1. "Heavy equipment property" includes all rental property  
owned or held by a rental business classified under Industry No.  
532412 or 532310 of the 2017 North American Industry Classification  
System;

1        2. "Primarily" means more than fifty-one percent (51%) of the  
2 annual revenue of the business is derived from the rental of  
3 personal property; and

4        3. "Rental charge" means the charge of the rental and does not  
5 include any other costs such as pickup and delivery, fuel, or a  
6 damage waiver.

7        SECTION 2.        NEW LAW        A new section of law to be codified  
8 in the Oklahoma Statutes as Section 2807.11 of Title 68, unless  
9 there is created a duplication in numbering, reads as follows:

10        A. Except as provided in subsection B of this section, a  
11 company primarily in the business of renting heavy equipment  
12 property located in this state may include as a separate line item  
13 on the rental invoice a recovery fee of one and twenty-five  
14 hundredths percent (1.25%) on the rental charge from any item of  
15 heavy equipment property rental by a customer. The total amount of  
16 the recovery fee shall be retained by the business for the purposes  
17 of paying personal property taxes levied by all taxing jurisdictions  
18 against the heavy equipment property located in the state.

19        B. Notwithstanding the provisions of subsection A of this  
20 section, the recovery fee provided in this section shall not apply  
21 to the rental of heavy equipment property to the federal government,  
22 any federally recognized Indian tribe, this state, or any  
23 municipality or county of this state.

24

1 C. The recovery fee shall not be subject to state or local  
2 sales tax.

3 SECTION 3. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 2807.12 of Title 68, unless  
5 there is created a duplication in numbering, reads as follows:

6 Annually, on or before February 15, each rental business that  
7 collects the equipment rental recovery fee shall be required to  
8 electronically submit to the Oklahoma Tax Commission a consolidated  
9 report showing the aggregated personal property taxes paid in the  
10 state during the previous calendar year and the aggregated recovery  
11 collections in the state during the previous calendar year. If the  
12 aggregated recovery collections in the state exceed the aggregated  
13 taxes paid in the state, the aggregate excess shall be paid to the  
14 county treasurers. The amount of excess paid to each county  
15 treasurer shall be a pro rata distribution based on the amount of  
16 personal property tax paid by the business to each county in the  
17 previous calendar year in relation to the total personal property  
18 tax paid in this state in the previous calendar year. No excess  
19 collections shall be retained by the business.

20 SECTION 4. AMENDATORY 68 O.S. 2021, Section 1357, as  
21 last amended by Section 1, Chapter 344, O.S.L. 2023 (68 O.S. Supp.  
22 2023, Section 1357), is amended to read as follows:

23 Section 1357. Exemptions - General.  
24

1        There are hereby specifically exempted from the tax levied by  
2 the Oklahoma Sales Tax Code:

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

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

8        3. Sales for resale to persons engaged in the business of  
9 reselling the articles purchased, whether within or without the  
10 state, provided that such sales to residents of this state are made  
11 to persons to whom sales tax permits have been issued as provided in  
12 the Oklahoma Sales Tax Code. This exemption shall not apply to the  
13 sales of articles made to persons holding permits when such persons  
14 purchase items for their use and which they are not regularly  
15 engaged in the business of reselling; neither shall this exemption  
16 apply to sales of tangible personal property to peddlers, solicitors  
17 and other salespersons who do not have an established place of  
18 business and a sales tax permit. The exemption provided by this  
19 paragraph shall apply to sales of motor fuel or diesel fuel to a  
20 Group Five vendor, but the use of such motor fuel or diesel fuel by  
21 the Group Five vendor shall not be exempt from the tax levied by the  
22 Oklahoma Sales Tax Code. The purchase of motor fuel or diesel fuel  
23 is exempt from sales tax when the motor fuel is for shipment outside  
24 this state and consumed by a common carrier by rail in the conduct

1 of its business. The sales tax shall apply to the purchase of motor  
2 fuel or diesel fuel in Oklahoma by a common carrier by rail when  
3 such motor fuel is purchased for fueling, within this state, of any  
4 locomotive or other motorized flanged wheel equipment;

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

6 5. Sales of programs relating to sporting and entertainment  
7 events, and sales of advertising on billboards (including signage,  
8 posters, panels, marquees or on other similar surfaces, whether  
9 indoors or outdoors) or in programs relating to sporting and  
10 entertainment events, and sales of any advertising, to be displayed  
11 at or in connection with a sporting event, via the Internet,  
12 electronic display devices or through public address or broadcast  
13 systems. The exemption authorized by this paragraph shall be  
14 effective for all sales made on or after January 1, 2001;

15 6. Sales of any advertising, other than the advertising  
16 described by paragraph 5 of this section, via the Internet,  
17 electronic display devices or through the electronic media including  
18 radio, public address or broadcast systems, television (whether  
19 through closed circuit broadcasting systems or otherwise), and cable  
20 and satellite television, and the servicing of any advertising  
21 devices;

22 7. Eggs, feed, supplies, machinery, and equipment purchased by  
23 persons regularly engaged in the business of raising worms, fish,  
24 any insect, or any other form of terrestrial or aquatic animal life

1 and used for the purpose of raising same for marketing. This  
2 exemption shall only be granted and extended to the purchaser when  
3 the items are to be used and in fact are used in the raising of  
4 animal life as set out above. Each purchaser shall certify, in  
5 writing, on the invoice or sales ticket retained by the vendor that  
6 the purchaser is regularly engaged in the business of raising such  
7 animal life and that the items purchased will be used only in such  
8 business. The vendor shall certify to the Oklahoma Tax Commission  
9 that the price of the items has been reduced to grant the full  
10 benefit of the exemption. Violation hereof by the purchaser or  
11 vendor shall be a misdemeanor;

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

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

22 10. Transfers of title or possession of empty, partially  
23 filled, or filled returnable oil and chemical drums to any person  
24 who is not regularly engaged in the business of selling, reselling

1 or otherwise transferring empty, partially filled or filled  
2 returnable oil drums;

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

6 12. Sales of food or food products for home consumption which  
7 are purchased in whole or in part with coupons issued pursuant to  
8 the federal food stamp program as authorized by Sections 2011  
9 through 2029 of Title 7 of the United States Code, as to that  
10 portion purchased with such coupons. The exemption provided for  
11 such sales shall be inapplicable to such sales upon the effective  
12 date of any federal law that removes the requirement of the  
13 exemption as a condition for participation by the state in the  
14 federal food stamp program;

15 13. Sales of food or food products, or any equipment or  
16 supplies used in the preparation of the food or food products to or  
17 by an organization which:

18 a. is exempt from taxation pursuant to the provisions of  
19 Section 501(c)(3) of the Internal Revenue Code, 26  
20 U.S.C., Section 501(c)(3), and which provides and  
21 delivers prepared meals for home consumption to  
22 elderly or homebound persons as part of a program  
23 commonly known as "Meals on Wheels" or "Mobile Meals",  
24 or

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

7       14.   a.    Sales of tangible personal property or services to or  
8                    by organizations which are exempt from taxation  
9                    pursuant to the provisions of Section 501(c) (3) of the  
10                   Internal Revenue Code, 26 U.S.C., Section 501(c) (3),  
11                   and:

12                   (1)   are primarily involved in the collection and  
13                   distribution of food and other household products  
14                   to other organizations that facilitate the  
15                   distribution of such products to the needy and  
16                   such distributee organizations are exempt from  
17                   taxation pursuant to the provisions of Section  
18                   501(c) (3) of the Internal Revenue Code, 26  
19                   U.S.C., Section 501(c) (3), or

20                   (2)   facilitate the distribution of such products to  
21                   the needy.

22           b.    Sales made in the course of business for profit or  
23                   savings, competing with other persons engaged in the  
24



1 same or similar business shall not be exempt under  
2 this paragraph;

3 15. Sales of tangible personal property or services to  
4 children's homes which are located on church-owned property and are  
5 operated by organizations exempt from taxation pursuant to the  
6 provisions of the Internal Revenue Code, 26 U.S.C., Section  
7 501(c) (3);

8 16. Sales of computers, data processing equipment, related  
9 peripherals, and telephone, telegraph or telecommunications service  
10 and equipment for use in a qualified aircraft maintenance or  
11 manufacturing facility. For purposes of this paragraph, "qualified  
12 aircraft maintenance or manufacturing facility" means a new or  
13 expanding facility primarily engaged in aircraft repair, building or  
14 rebuilding whether or not on a factory basis, whose total cost of  
15 construction exceeds the sum of Five Million Dollars (\$5,000,000.00)  
16 and which employs at least two hundred fifty (250) new full-time-  
17 equivalent employees, as certified by the Oklahoma Employment  
18 Security Commission, upon completion of the facility. In order to  
19 qualify for the exemption provided for by this paragraph, the cost  
20 of the items purchased by the qualified aircraft maintenance or  
21 manufacturing facility shall equal or exceed the sum of Two Million  
22 Dollars (\$2,000,000.00);

23 17. Sales of tangible personal property consumed or  
24 incorporated in the construction or expansion of a qualified

1 aircraft maintenance or manufacturing facility as defined in  
2 paragraph 16 of this section. For purposes of this paragraph, sales  
3 made to a contractor or subcontractor that has previously entered  
4 into a contractual relationship with a qualified aircraft  
5 maintenance or manufacturing facility for construction or expansion  
6 of such a facility shall be considered sales made to a qualified  
7 aircraft maintenance or manufacturing facility;

8 18. Sales of the following telecommunications services:

9 a. Interstate and International "800 service". "800  
10 service" means a ~~"telecommunications service"~~  
11 telecommunications service that allows a caller to  
12 dial a toll-free number without incurring a charge for  
13 the call. The service is typically marketed under the  
14 name "800", "855", "866", "877" and "888" toll-free  
15 calling, and any subsequent numbers designated by the  
16 Federal Communications Commission,

17 b. Interstate and International "900 service". "900  
18 service" means an inbound toll ~~"telecommunications  
19 service"~~ telecommunications service purchased by a  
20 subscriber that allows the subscriber's customers to  
21 call in to the subscriber's prerecorded announcement  
22 or live service. ~~"900 service"~~ 900 service does not  
23 include the charge for: collection services provided  
24 by the seller of the ~~"telecommunications services"~~

1           telecommunications services to the subscriber, or  
2           service or product sold by the subscriber to the  
3           subscriber's customer. The service is typically  
4           marketed under the name "900" service, and any  
5           subsequent numbers designated by the Federal  
6           Communications Commission,

7           c. Interstate and International "private communications  
8           service". "Private communications service" means a  
9           ~~"telecommunications service"~~ telecommunications  
10           service that entitles the customer to exclusive or  
11           priority use of a communications channel or group of  
12           channels between or among termination points,  
13           regardless of the manner in which such channel or  
14           channels are connected, and includes switching  
15           capacity, extension lines, stations and any other  
16           associated services that are provided in connection  
17           with the use of such channel or channels,

18           d. "Value-added nonvoice data service". "Value-added  
19           nonvoice data service" means a service that otherwise  
20           meets the definition of ~~"telecommunications services"~~  
21           telecommunications services in which computer  
22           processing applications are used to act on the form,  
23           content, code or protocol of the information or data  
24

1 primarily for a purpose other than transmission,  
2 conveyance, or routing,

3 e. Interstate and International telecommunications  
4 service which is:

5 (1) rendered by a company for private use within its  
6 organization, or

7 (2) used, allocated or distributed by a company to  
8 its affiliated group,

9 f. Regulatory assessments and charges including charges  
10 to fund the Oklahoma Universal Service Fund, the  
11 Oklahoma Lifeline Fund and the Oklahoma High Cost  
12 Fund, and

13 g. Telecommunications nonrecurring charges including but  
14 not limited to the installation, connection, change,  
15 or initiation of telecommunications services which are  
16 not associated with a retail consumer sale;

17 19. Sales of railroad track spikes manufactured and sold for  
18 use in this state in the construction or repair of railroad tracks,  
19 switches, sidings, and turnouts;

20 20. Sales of aircraft and aircraft parts provided such sales  
21 occur at a qualified aircraft maintenance facility. As used in this  
22 paragraph, "qualified aircraft maintenance facility" means a  
23 facility operated by an air common carrier including one or more  
24 component overhaul support buildings or structures in an area owned,

1 leased, or controlled by the air common carrier, at which there were  
2 employed at least two thousand (2,000) full-time-equivalent  
3 employees in the preceding year as certified by the Oklahoma  
4 Employment Security Commission and which is primarily related to the  
5 fabrication, repair, alteration, modification, refurbishing,  
6 maintenance, building, or rebuilding of commercial aircraft or  
7 aircraft parts used in air common carriage. For purposes of this  
8 paragraph, "air common carrier" shall also include members of an  
9 affiliated group as defined by Section 1504 of the Internal Revenue  
10 Code, 26 U.S.C., Section 1504. Beginning July 1, 2012, sales of  
11 machinery, tools, supplies, equipment, and related tangible personal  
12 property and services used or consumed in the repair, remodeling, or  
13 maintenance of aircraft, aircraft engines or aircraft component  
14 parts which occur at a qualified aircraft maintenance facility;

15 21. Sales of machinery and equipment purchased and used by  
16 persons and establishments primarily engaged in computer services  
17 and data processing:

18 a. as defined under ~~Industrial~~ Industry Group Numbers  
19 7372 and 7373 of the Standard Industrial  
20 Classification (SIC) Manual, latest version, which  
21 derive at least fifty percent (50%) of their annual  
22 gross revenues from the sale of a product or service  
23 to an out-of-state buyer or consumer, and  
24

1           b.    as defined under ~~Industrial~~ Industry Group Number 7374  
2                   of the SIC Manual, latest version, which derive at  
3                   least eighty percent (80%) of their annual gross  
4                   revenues from the sale of a product or service to an  
5                   out-of-state buyer or consumer.

6           Eligibility for the exemption set out in this paragraph shall be  
7 established, subject to review by the Tax Commission, by annually  
8 filing an affidavit with the Tax Commission stating that the  
9 facility so qualifies and such information as required by the Tax  
10 Commission. For purposes of determining whether annual gross  
11 revenues are derived from sales to out-of-state buyers or consumers,  
12 all sales to the federal government shall be considered to be to an  
13 out-of-state buyer or consumer;

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

19           23. Sales of tangible personal property or services to a motion  
20 picture or television production company to be used or consumed in  
21 connection with an eligible production. For purposes of this  
22 paragraph, "eligible production" means a documentary, special, music  
23 video or a television commercial or television program that will  
24 serve as a pilot for or be a segment of an ongoing dramatic or

1 situation comedy series filmed or taped for network or national or  
2 regional syndication or a feature-length motion picture intended for  
3 theatrical release or for network or national or regional  
4 syndication or broadcast. The provisions of this paragraph shall  
5 apply to sales occurring on or after July 1, 1996. In order to  
6 qualify for the exemption, the motion picture or television  
7 production company shall file any documentation and information  
8 required to be submitted pursuant to rules promulgated by the Tax  
9 Commission;

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

12 25. Sales of tangible personal property or services to tax-  
13 exempt independent nonprofit biomedical research foundations that  
14 provide educational programs for Oklahoma science students and  
15 teachers and to tax-exempt independent nonprofit community blood  
16 banks headquartered in this state;

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

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

1        28. Beginning July 1, 2005, sales of aircraft engine repairs,  
2 modification, and replacement parts, sales of aircraft frame repairs  
3 and modification, aircraft interior modification, and paint, and  
4 sales of services employed in the repair, modification, and  
5 replacement of parts of aircraft engines, aircraft frame and  
6 interior repair and modification, and paint;

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

10            a. are loaded on the ship, motor vessel, or barge and  
11                    used in the maintenance and operation of the ship,  
12                    motor vessel, or barge, or

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

15        30. Sales of tangible personal property made at estate sales at  
16 which such property is offered for sale on the premises of the  
17 former residence of the decedent by a person who is not required to  
18 be licensed pursuant to the Transient Merchant Licensing Act, or who  
19 is not otherwise required to obtain a sales tax permit for the sale  
20 of such property pursuant to the provisions of Section 1364 of this  
21 title; provided:

22            a. such sale or event may not be held for a period  
23                    exceeding three (3) consecutive days,  
24



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

3           c.    the exemption allowed by this paragraph shall not be  
4                    allowed for property that was not part of the  
5                    decedent's estate;

6           31.   Beginning January 1, 2004, sales of electricity and  
7 associated delivery and transmission services, when sold exclusively  
8 for use by an oil and gas operator for reservoir dewatering projects  
9 and associated operations commencing on or after July 1, 2003, in  
10 which the initial water-to-oil ratio is greater than or equal to  
11 five-to-one water-to-oil, and such oil and gas development projects  
12 have been classified by the Corporation Commission as a reservoir  
13 dewatering unit;

14          32.   Sales of prewritten computer software that is delivered  
15 electronically. For purposes of this paragraph, "delivered  
16 electronically" means delivered to the purchaser by means other than  
17 tangible storage media;

18          33.   Sales of modular dwelling units when built at a production  
19 facility and moved in whole or in parts, to be assembled on-site,  
20 and permanently affixed to the real property and used for  
21 residential or commercial purposes. The exemption provided by this  
22 paragraph shall equal forty-five percent (45%) of the total sales  
23 price of the modular dwelling unit. For purposes of this paragraph,  
24 "modular dwelling unit" means a structure that is not subject to the

1 motor vehicle excise tax imposed pursuant to Section 2103 of this  
2 title;

3 34. Sales of tangible personal property or services to:

4 a. persons who are residents of Oklahoma and have been  
5 honorably discharged from active service in any branch  
6 of the Armed Forces of the United States or Oklahoma  
7 National Guard and who have been certified by the  
8 United States Department of Veterans Affairs or its  
9 successor to be in receipt of disability compensation  
10 at the one-hundred-percent rate and the disability  
11 shall be permanent and have been sustained through  
12 military action or accident or resulting from disease  
13 contracted while in such active service and registered  
14 with the veterans registry created by the Oklahoma  
15 Department of Veterans Affairs; provided, that if the  
16 veteran received the sales tax exemption prior to  
17 November 1, 2020, he or she shall be required to  
18 register with the veterans registry prior to July 1,  
19 2023, in order to remain qualified, or

20 b. the surviving spouse of the person in subparagraph a  
21 of this paragraph if the person is deceased and the  
22 spouse has not remarried and the surviving spouse of a  
23 person who is determined by the United States  
24 Department of Defense or any branch of the United

1 States military to have died while in the line of duty  
2 if the spouse has not remarried. Sales for the  
3 benefit of an eligible person to a spouse of the  
4 eligible person or to a member of the household in  
5 which the eligible person resides and who is  
6 authorized to make purchases on the person's behalf,  
7 when such eligible person is not present at the sale,  
8 shall also be exempt for purposes of this paragraph.  
9 The Oklahoma Tax Commission shall issue a separate  
10 exemption card to a spouse of an eligible person or to  
11 a member of the household in which the eligible person  
12 resides who is authorized to make purchases on the  
13 person's behalf, if requested by the eligible person.  
14 Sales qualifying for the exemption authorized by this  
15 paragraph shall not exceed Twenty-five Thousand  
16 Dollars (\$25,000.00) per year per individual while the  
17 disabled veteran is living. Sales qualifying for the  
18 exemption authorized by this paragraph shall not  
19 exceed One Thousand Dollars (\$1,000.00) per year for  
20 an unremarried surviving spouse. Upon request of the  
21 Tax Commission, a person asserting or claiming the  
22 exemption authorized by this paragraph shall provide a  
23 statement, executed under oath, that the total sales  
24 amounts for which the exemption is applicable have not

1 exceeded Twenty-five Thousand Dollars (\$25,000.00) per  
2 year per living disabled veteran or One Thousand  
3 Dollars (\$1,000.00) per year for an unremarried  
4 surviving spouse. If the amount of such exempt sales  
5 exceeds such amount, the sales tax in excess of the  
6 authorized amount shall be treated as a direct sales  
7 tax liability and may be recovered by the Tax  
8 Commission in the same manner provided by law for  
9 other taxes including penalty and interest. The Tax  
10 Commission shall promulgate any rules necessary to  
11 implement the provisions of this paragraph, which  
12 shall include rules providing for the disclosure of  
13 information about persons eligible for the exemption  
14 authorized in this paragraph to the Oklahoma  
15 Department of ~~Veteran's~~ Veterans Affairs, as  
16 authorized in Section 205 of this title. For purposes  
17 of the exemption authorized by this subparagraph, if  
18 the disability determination that would have been made  
19 while the disabled veteran was still living is not  
20 made final until after the death of the disabled  
21 veteran, the exemption authorized by this subparagraph  
22 may still be claimed by the surviving spouse;

23 35. Sales of electricity to the operator, specifically  
24 designated by the Corporation Commission, of a spacing unit or lease

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

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

23 37. Sales of vitamins, minerals, and dietary supplements by a  
24 licensed chiropractor to a person who is the patient of such

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

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

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

23 40. Sales of tangible personal property or services to a  
24 business primarily engaged in the repair of consumer electronic

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

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

19 42. Sales of gold, silver, platinum, palladium or other bullion  
20 items such as coins and bars and legal tender of any nation, which  
21 legal tender is sold according to its value as precious metal or as  
22 an investment. As used in the paragraph, "bullion" means any  
23 precious metal including, but not limited to, gold, silver,  
24 platinum, and palladium, that is in such a state or condition that

1 its value depends upon its precious metal content and not its form.  
2 The exemption authorized by this paragraph shall not apply to  
3 fabricated metals that have been processed or manufactured for  
4 artistic use or as jewelry; and

5 43. Recovery fees on the rental charge from any item of heavy  
6 equipment property rental as provided for in Section 2 of this act.

7 SECTION 5. This act shall become effective November 1, 2024.

8 Passed the Senate the 27th day of February, 2024.

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\_\_\_\_\_  
Presiding Officer of the Senate

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12 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
13 2024.

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Presiding Officer of the House  
of Representatives

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