

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2234

By: Lawson and **Ford** of the
House

7 and

8 **Rader** of the Senate

9
10 COMMITTEE SUBSTITUTE

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

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

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

A. To utilize the Sale for Resale sales tax exemption, a
separate Sale for Resale exemption permit for each business to be

1 operated must be obtained from the Oklahoma Tax Commission. The
2 permit may be obtained at no charge. The Oklahoma Tax Commission
3 shall grant and issue to each applicant a Sale for Resale permit for
4 each business in this state, upon proper application therefor and
5 verification thereof by the Oklahoma Tax Commission. A business
6 with multiple locations in this state may operate under one Sale for
7 Resale permit. The Oklahoma Tax Commission may additionally provide
8 for the access to a granted and issued permit electronically, or by
9 other such means as established by the Oklahoma Tax Commission.

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

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

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 take effect and
21 be in full force from and after its passage and approval.

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23 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
24 03/06/2023 - DO PASS, As Amended and Coauthored.