

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 HOUSE BILL 1867

By: Roberts

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6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2021, Section 1357.10, which relates to sales-
9 tax-free weekend for clothing and footwear; modifying
10 exempted items to include school supply items;
11 providing monetary limitation on exemption; providing
12 definition; amending 68 O.S. 2021, Section 1377,
13 which relates to items exempted from county sales
14 tax; modifying list of exempted items from county
15 sales tax to include school supply items; amending 68
16 O.S. 2021, Section 2701, which relates to taxing for
17 municipal government; modifying list of exempted
18 items from sales tax imposed by incorporated city or
19 town to include school supply items; providing an
20 effective date; and declaring an emergency.

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

24 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1357.10, is
amended to read as follows:

Section 1357.10. Clothing or footwear - Exemption of certain
sales - Exceptions.

A. The sale of an article of clothing or footwear designed to
be worn on or about the human body or school supply items shall be

1 exempt from the tax imposed by Section 1354 of Title 68 of the
2 Oklahoma Statutes if:

3 1. The sales price of the article of clothing or footwear is
4 less than One Hundred Dollars (\$100.00) or the sales price of the
5 school supply item is less than Fifty Dollars (\$50.00); and

6 2. The sale takes place during a period beginning at 12:01 a.m.
7 on the first Friday in August and ending at 12 midnight on the
8 following Sunday, covering a period of three (3) days.

9 B. Subsection A of this section shall not apply to:

10 1. Any special clothing or footwear that is primarily designed
11 for athletic activity or protective use and that is not normally
12 worn except when used for athletic activity or protective use for
13 which it is designed;

14 2. Accessories, including jewelry, handbags, luggage,
15 umbrellas, wallets, watches, and similar items carried on or about
16 the human body, without regard to whether worn on the body in a
17 manner characteristic of clothing; and

18 3. The rental of clothing or footwear.

19 C. The Oklahoma Tax Commission shall promulgate any necessary
20 rules to implement the provisions of this section.

21 D. For the purposes of subsection A of this section, school
22 supply items shall include all items on an official list of school
23 supplies, which shall be promulgated by the State Board of Education
24 each year.

1 SECTION 2. AMENDATORY 68 O.S. 2021, Section 1377, is
2 amended to read as follows:

3 Section 1377. The sales tax imposed by any county or authority
4 authorized by law to levy a sales tax shall not be imposed upon the
5 sale of an article of clothing or footwear designed to be worn on or
6 about the human body or school supply items in accordance with and
7 to the extent set forth in Section ~~3~~ 1357.10 of this ~~act~~ title.

8 SECTION 3. AMENDATORY 68 O.S. 2021, Section 2701, is
9 amended to read as follows:

10 Section 2701. A. Any incorporated city or town in this state
11 is hereby authorized to assess, levy, and collect taxes for general
12 and special purposes of municipal government as the Legislature may
13 levy and collect for purposes of state government, subject to the
14 provisions of subsection F of this section, except ad valorem
15 property taxes. Provided:

16 1. Taxes shall be uniform upon the same class subjects, and any
17 tax, charge, or fee levied upon or measured by income or receipts
18 from the sale of products or services shall be uniform upon all
19 classes of taxpayers;

20 2. Motor vehicles may be taxed by the city or town only when
21 such vehicles are primarily used or located in such city or town for
22 a period of time longer than six (6) months of a taxable year;

23 3. The provisions of this section shall not be construed to
24 authorize imposition of any tax upon persons, firms, or corporations

1 exempted from other taxation under the provisions of Sections 348.1,
2 624 and 321 of Title 36 of the Oklahoma Statutes, by reason of
3 payment of taxes imposed under such sections;

4 4. Cooperatives and communications companies are hereby
5 authorized to pass on to their subscribers in the incorporated city
6 or town involved, the amount of any special municipal fee, charge or
7 tax hereafter assessed or levied on or collected from such
8 cooperatives or communications companies;

9 5. No earnings, payroll or income taxes may be levied on
10 nonresidents of the cities or towns levying such tax;

11 6. The governing body of any city or town shall be prohibited
12 from proposing taxing ordinances more often than three times in any
13 calendar year, or twice in any six-month period; and

14 7. Any revenues derived from a tax authorized by this
15 subsection not dedicated to a limited purpose shall be deposited in
16 the municipal general fund.

17 B. A sales tax authorized in subsection A of this section may
18 be levied for limited purposes specified in the ordinance levying
19 the tax. Such ordinance shall be submitted to the voters for
20 approval as provided in Section 2705 of this title. Any sales tax
21 levied or any change in the rate of a sales tax levied pursuant to
22 the provisions of this section shall become effective on the first
23 day of the calendar quarter following approval by the voters of the
24 city or town unless another effective date, which shall also be on

1 the first day of a calendar quarter, is specified in the ordinance
2 levying the sales tax or changing the rate of sales tax. Such
3 ordinance shall describe with specificity the projects or
4 expenditures for which the limited-purpose tax levy would be made.
5 The municipal governing body shall create a limited-purpose fund and
6 deposit therein any revenue generated by any tax levied pursuant to
7 this subsection. Money in the fund shall be accumulated from year
8 to year. The fund shall be placed in an insured interest-bearing
9 account and the interest which accrues on the fund shall be retained
10 in the fund. The fund shall be nonfiscal and shall not be
11 considered in computing any levy when the municipality makes its
12 estimate to the excise board for needed appropriations. Money in
13 the limited-purpose tax fund shall be expended only as accumulated
14 and only for the purposes specifically described in the taxing
15 ordinance as approved by the voters.

16 C. The Oklahoma Tax Commission shall give notice to all vendors
17 of a rate change at least sixty (60) days prior to the effective
18 date of the rate change. Provided, for purchases from printed
19 catalogs wherein the purchaser computed the tax based upon local tax
20 rates published in the catalog, the rate change shall not be
21 effective until the first day of a calendar quarter after a minimum
22 of one hundred twenty-days' notice to vendors. Failure to give
23 notice as required by this section shall delay the effective date of
24 the rate change to the first day of the next calendar quarter.

1 D. The change in the boundary of a municipality shall be
2 effective, for sales and use tax purposes only, on the first day of
3 a calendar quarter after a minimum of sixty (60) days' notice to
4 vendors.

5 E. If the proceeds of any sales tax levied by a municipality
6 pursuant to subsection B of this section are being used by the
7 municipality for the purpose of retiring indebtedness incurred by
8 the municipality or by a public trust of which the municipality is a
9 beneficiary for the specific purpose for which the sales tax was
10 imposed, the sales tax shall not be repealed until such time as the
11 indebtedness is retired. However, in no event shall the life of the
12 tax be extended beyond the duration approved by the voters of the
13 municipality. The provisions of this subsection shall apply to all
14 sales tax levies imposed by a municipality and being used by the
15 municipality for the purposes set forth in this subsection prior to
16 or after July 1, 1995.

17 F. The sale of an article of clothing or footwear designed to
18 be worn on or about the human body or school supply items shall be
19 exempt from the sales tax imposed by any incorporated city or town,
20 in accordance with and to the extent set forth in Section 1357.10 of
21 this title.

22 G. Any municipality that levies a dedicated tax pursuant to a
23 vote of the people for the purpose of funding public safety or any
24 other governmental purpose shall not redirect all or a portion of

1 the dedicated tax revenue to another purpose without a vote of the
2 people authorizing such action.

3 SECTION 4. This act shall become effective July 1, 2025.

4 SECTION 5. It being immediately necessary for the preservation
5 of the public peace, health or safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

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