

1 ENGROSSED SENATE  
2 BILL NO. 1440

By: Simpson of the Senate

3 and

4 Hardin (Tommy) and McDugle  
5 of the House

6 An Act relating to veteran's sales tax exemptions;  
7 amending 68 O.S. 2011, Sections 205, as last amended  
8 by Section 37, Chapter 210, O.S.L. 2016 and 1357, as  
9 last amended by Section 10, Chapter 229, O.S.L. 2017  
10 (68 O.S. Supp. 2019, Sections 205 and 1357), which  
11 relate to information for determining eligibility;  
12 deleting obsolete language; authorizing disclosure of  
13 specified information by Oklahoma Tax Commission to  
14 Oklahoma Department of Veterans Affairs related to  
15 certain eligibility; modifying provisions related to  
16 eligibility for sales tax exemption during specified  
17 time period; specifying contents of rules related to  
18 sales tax exemption for veterans; and amending  
19 Section 1, Chapter 229, O.S.L. 2017, as last amended  
20 by Section 1, Chapter 124, O.S.L. 2019 (72 O.S. Supp.  
21 2019, Section 421), which relates to registry of  
22 veterans; requiring additional verification of  
23 veteran service disability status under certain  
24 circumstance; and declaring an emergency.

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

19 SECTION 1. AMENDATORY 68 O.S. 2011, Section 205, as last  
20 amended by Section 37, Chapter 210, O.S.L. 2016 (68 O.S. Supp. 2019,  
21 Section 205), is amended to read as follows:

22 Section 205. A. The records and files of the Oklahoma Tax  
23 Commission concerning the administration of the Uniform Tax  
24 Procedure Code or of any state tax law shall be considered

1 confidential and privileged, except as otherwise provided for by  
2 law, and neither the Tax Commission nor any employee engaged in the  
3 administration of the Tax Commission or charged with the custody of  
4 any such records or files nor any person who may have secured  
5 information from the Tax Commission shall disclose any information  
6 obtained from the records or files or from any examination or  
7 inspection of the premises or property of any person.

8       B. Except as provided in paragraph 26 of subsection C of this  
9 section, neither the Tax Commission nor any employee engaged in the  
10 administration of the Tax Commission or charged with the custody of  
11 any such records or files shall be required by any court of this  
12 state to produce any of the records or files for the inspection of  
13 any person or for use in any action or proceeding, except when the  
14 records or files or the facts shown thereby are directly involved in  
15 an action or proceeding pursuant to the provisions of the Uniform  
16 Tax Procedure Code or of the state tax law, or when the  
17 determination of the action or proceeding will affect the validity  
18 or the amount of the claim of the state pursuant to any state tax  
19 law, or when the information contained in the records or files  
20 constitutes evidence of violation of the provisions of the Uniform  
21 Tax Procedure Code or of any state tax law.

22       C. The provisions of this section shall not prevent the Tax  
23 Commission from disclosing the following information and no  
24 liability whatsoever, civil or criminal, shall attach to any member

1 of the Tax Commission or any employee thereof for any error or  
2 omission in the disclosure of such information:

3 1. The delivery to a taxpayer or a duly authorized  
4 representative of the taxpayer of a copy of any report or any other  
5 paper filed by the taxpayer pursuant to the provisions of the  
6 Uniform Tax Procedure Code or of any state tax law;

7 2. The exchange of information that is not protected by the  
8 federal Privacy Protection Act, 42 U.S.C., Section 2000aa et seq.,  
9 pursuant to reciprocal agreements entered into by the Tax Commission  
10 and other state agencies or agencies of the federal government;

11 3. The publication of statistics so classified as to prevent  
12 the identification of a particular report and the items thereof;

13 4. The examination of records and files by the State Auditor  
14 and Inspector or the duly authorized agents of the State Auditor and  
15 Inspector;

16 5. The disclosing of information or evidence to the Oklahoma  
17 State Bureau of Investigation, Attorney General, Oklahoma State  
18 Bureau of Narcotics and Dangerous Drugs Control, any district  
19 attorney, or agent of any federal law enforcement agency when the  
20 information or evidence is to be used by such officials to  
21 investigate or prosecute violations of the criminal provisions of  
22 the Uniform Tax Procedure Code or of any state tax law or of any  
23 federal crime committed against this state. Any information  
24 disclosed to the Oklahoma State Bureau of Investigation, Attorney

1 General, Oklahoma State Bureau of Narcotics and Dangerous Drugs  
2 Control, any district attorney, or agent of any federal law  
3 enforcement agency shall be kept confidential by such person and not  
4 be disclosed except when presented to a court in a prosecution for  
5 violation of the tax laws of this state or except as specifically  
6 authorized by law, and a violation by the Oklahoma State Bureau of  
7 Investigation, Attorney General, Oklahoma State Bureau of Narcotics  
8 and Dangerous Drugs Control, district attorney, or agent of any  
9 federal law enforcement agency by otherwise releasing the  
10 information shall be a felony;

11 6. The use by any division of the Tax Commission of any  
12 information or evidence in the possession of or contained in any  
13 report or return filed with any other division of the Tax  
14 Commission;

15 7. The furnishing, at the discretion of the Tax Commission, of  
16 any information disclosed by its records or files to any official  
17 person or body of this state, any other state, the United States, or  
18 foreign country who is concerned with the administration or  
19 assessment of any similar tax in this state, any other state or the  
20 United States. The provisions of this paragraph shall include the  
21 furnishing of information by the Tax Commission to a county assessor  
22 to determine the amount of gross household income pursuant to the  
23 provisions of Section 8C of Article X of the Oklahoma Constitution  
24 or Section 2890 of this title. The Tax Commission shall promulgate

1 rules to give guidance to the county assessors regarding the type of  
2 information which may be used by the county assessors in determining  
3 the amount of gross household income pursuant to Section 8C of  
4 Article X of the Oklahoma Constitution or Section 2890 of this  
5 title. The provisions of this paragraph shall also include the  
6 furnishing of information to the State Treasurer for the purpose of  
7 administration of the Uniform Unclaimed Property Act;

8 8. The furnishing of information to other state agencies for  
9 the limited purpose of aiding in the collection of debts owed by  
10 individuals to such requesting agencies;

11 9. The furnishing of information requested by any member of the  
12 general public and stated in the sworn lists or schedules of taxable  
13 property of public service corporations organized, existing, or  
14 doing business in this state which are submitted to and certified by  
15 the State Board of Equalization pursuant to the provisions of  
16 Section 2858 of this title and Section 21 of Article X of the  
17 Oklahoma Constitution, provided such information would be a public  
18 record if filed pursuant to Sections 2838 and 2839 of this title on  
19 behalf of a corporation other than a public service corporation;

20 10. The furnishing of information requested by any member of  
21 the general public and stated in the findings of the Tax Commission  
22 as to the adjustment and equalization of the valuation of real and  
23 personal property of the counties of the state, which are submitted  
24 to and certified by the State Board of Equalization pursuant to the

1 provisions of Section 2865 of this title and Section 21 of Article X  
2 of the Oklahoma Constitution;

3 ~~11. The furnishing of information to an Oklahoma wholesaler of~~  
4 ~~low-point beer, licensed under the provisions of Section 163.1 et~~  
5 ~~seq. of Title 37 of the Oklahoma Statutes, or an association or~~  
6 ~~organization whose membership is comprised of such wholesalers, of~~  
7 ~~the licensed retailers authorized by law to purchase low-point beer~~  
8 ~~in this state or the furnishing of information to a licensed~~  
9 ~~Oklahoma wholesaler of low-point beer of shipments by licensed~~  
10 ~~manufacturers into this state;~~

11 ~~12.~~ The furnishing of information as to the issuance or  
12 revocation of any tax permit, license or exemption by the Tax  
13 Commission as provided for by law. Such information shall be  
14 limited to the name of the person issued the permit, license or  
15 exemption, the name of the business entity authorized to engage in  
16 business pursuant to the permit, license or exemption, the address  
17 of the business entity, and the grounds for revocation;

18 ~~13.~~ 12. The posting of notice of revocation of any tax permit  
19 or license upon the premises of the place of business of any  
20 business entity which has had any tax permit or license revoked by  
21 the Tax Commission as provided for by law. Such notice shall be  
22 limited to the name of the person issued the permit or license, the  
23 name of the business entity authorized to engage in business  
24

1 pursuant to the permit or license, the address of the business  
2 entity, and the grounds for revocation;

3 ~~14.~~ 13. The furnishing of information upon written request by  
4 any member of the general public as to the outstanding and unpaid  
5 amount due and owing by any taxpayer of this state for any  
6 delinquent tax, together with penalty and interest, for which a tax  
7 warrant or a certificate of indebtedness has been filed pursuant to  
8 law;

9 ~~15.~~ 14. After the filing of a tax warrant pursuant to law, the  
10 furnishing of information upon written request by any member of the  
11 general public as to any agreement entered into by the Tax  
12 Commission concerning a compromise of tax liability for an amount  
13 less than the amount of tax liability stated on such warrant;

14 ~~16.~~ 15. The disclosure of information necessary to complete the  
15 performance of any contract authorized by this title to any person  
16 with whom the Tax Commission has contracted;

17 ~~17.~~ 16. The disclosure of information to any person for a  
18 purpose as authorized by the taxpayer pursuant to a waiver of  
19 confidentiality. The waiver shall be in writing and shall be made  
20 upon such form as the Tax Commission may prescribe;

21 ~~18.~~ 17. The disclosure of information required in order to  
22 comply with the provisions of Section 2369 of this title;

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1       ~~19.~~ 18. The disclosure to an employer, as defined in Sections  
2 2385.1 and 2385.3 of this title, of information required in order to  
3 collect the tax imposed by Section 2385.2 of this title;

4       ~~20.~~ 19. The disclosure to a plaintiff of a corporation's last-  
5 known address shown on the records of the Franchise Tax Division of  
6 the Tax Commission in order for such plaintiff to comply with the  
7 requirements of Section 2004 of Title 12 of the Oklahoma Statutes;

8       ~~21.~~ 20. The disclosure of information directly involved in the  
9 resolution of the protest by a taxpayer to an assessment of tax or  
10 additional tax or the resolution of a claim for refund filed by a  
11 taxpayer, including the disclosure of the pendency of an  
12 administrative proceeding involving such protest or claim, to a  
13 person called by the Tax Commission as an expert witness or as a  
14 witness whose area of knowledge or expertise specifically addresses  
15 the issue addressed in the protest or claim for refund. Such  
16 disclosure to a witness shall be limited to information pertaining  
17 to the specific knowledge of that witness as to the transaction or  
18 relationship between taxpayer and witness;

19       ~~22.~~ 21. The disclosure of information necessary to implement an  
20 agreement authorized by Section 2702 of this title when such  
21 information is directly involved in the resolution of issues arising  
22 out of the enforcement of a municipal sales tax ordinance. Such  
23 disclosure shall be to the governing body or to the municipal  
24 attorney, if so designated by the governing body;



1       ~~23.~~ 22. The furnishing of information regarding incentive  
2 payments made pursuant to the provisions of Sections 3601 through  
3 3609 of this title or incentive payments made pursuant to the  
4 provisions of Sections 3501 through 3508 of this title;

5       ~~24.~~ 23. The furnishing to a prospective purchaser of any  
6 business, or his or her authorized representative, of information  
7 relating to any liabilities, delinquencies, assessments or warrants  
8 of the prospective seller of the business which have not been filed  
9 of record, established, or become final and which relate solely to  
10 the seller's business. Any disclosure under this paragraph shall  
11 only be allowed upon the presentment by the prospective buyer, or  
12 the buyer's authorized representative, of the purchase contract and  
13 a written authorization between the parties;

14       ~~25.~~ 24. The furnishing of information as to the amount of state  
15 revenue affected by the issuance or granting of any tax permit,  
16 license, exemption, deduction, credit or other tax preference by the  
17 Tax Commission as provided for by law. Such information shall be  
18 limited to the type of permit, license, exemption, deduction, credit  
19 or other tax preference issued or granted, the date and duration of  
20 such permit, license, exemption, deduction, credit or other tax  
21 preference and the amount of such revenue. The provisions of this  
22 paragraph shall not authorize the disclosure of the name of the  
23 person issued such permit, license, exemption, deduction, credit or  
24 other tax preference, or the name of the business entity authorized

1 to engage in business pursuant to the permit, license, exemption,  
2 deduction, credit or other tax preference;

3 ~~26.~~ 25. The examination of records and files of a person or  
4 entity by the Oklahoma State Bureau of Narcotics and Dangerous Drugs  
5 Control pursuant to a court order by a magistrate in whose  
6 territorial jurisdiction the person or entity resides, or where the  
7 Tax Commission records and files are physically located. Such an  
8 order may only be issued upon a sworn application by an agent of the  
9 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control,  
10 certifying that the person or entity whose records and files are to  
11 be examined is the target of an ongoing investigation of a felony  
12 violation of the Uniform Controlled Dangerous Substances Act and  
13 that information resulting from such an examination would likely be  
14 relevant to that investigation. Any records or information obtained  
15 pursuant to such an order may only be used by the Oklahoma State  
16 Bureau of Narcotics and Dangerous Drugs Control in the investigation  
17 and prosecution of a felony violation of the Uniform Controlled  
18 Dangerous Substances Act. Any such order issued pursuant to this  
19 paragraph, along with the underlying application, shall be sealed  
20 and not disclosed to the person or entity whose records were  
21 examined, for a period of ninety (90) days. The issuing magistrate  
22 may grant extensions of such period upon a showing of good cause in  
23 furtherance of the investigation. Upon the expiration of ninety  
24 (90) days and any extensions granted by the magistrate, a copy of

1 the application and order shall be served upon the person or entity  
2 whose records were examined, along with a copy of the records or  
3 information actually provided by the Tax Commission;

4 ~~27.~~ 26. The disclosure of information, as prescribed by this  
5 paragraph, which is related to the proposed or actual usage of tax  
6 credits pursuant to Section 2357.7 of this title, the Small Business  
7 Capital Formation Incentive Act or the Rural Venture Capital  
8 Formation Incentive Act. Unless the context clearly requires  
9 otherwise, the terms used in this paragraph shall have the same  
10 meaning as defined by Section 2357.7, 2357.61 or 2357.72 of this  
11 title. The disclosure of information authorized by this paragraph  
12 shall include:

- 13 a. the legal name of any qualified venture capital  
14 company, qualified small business capital company, or  
15 qualified rural small business capital company,
- 16 b. the identity or legal name of any person or entity  
17 that is a shareholder or partner of a qualified  
18 venture capital company, qualified small business  
19 capital company, or qualified rural small business  
20 capital company,
- 21 c. the identity or legal name of any Oklahoma business  
22 venture, Oklahoma small business venture, or Oklahoma  
23 rural small business venture in which a qualified  
24 investment has been made by a capital company, or

1 d. the amount of funds invested in a qualified venture  
2 capital company, the amount of qualified investments  
3 in a qualified small business capital company or  
4 qualified rural small business capital company and the  
5 amount of investments made by a qualified venture  
6 capital company, qualified small business capital  
7 company, or qualified rural small business capital  
8 company;

9 ~~28.~~ 27. The disclosure of specific information as required by  
10 Section 46 of Title 62 of the Oklahoma Statutes;

11 ~~29.~~ 28. The disclosure of specific information as required by  
12 Section 205.5 of this title;

13 ~~30.~~ 29. The disclosure of specific information as required by  
14 Section 205.6 of this title;

15 ~~31.~~ 30. The disclosure of information to the State Treasurer  
16 necessary to implement Section 2368.27 of this title; ~~or~~

17 ~~32.~~ 31. The disclosure of specific information to the Oklahoma  
18 Health Care Authority for purposes of determining eligibility for  
19 current or potential recipients of assistance from the Oklahoma  
20 Medicaid Program; or

21 32. The disclosure of information to the Oklahoma Department of  
22 Veterans Affairs including but not limited to the name and basis for  
23 eligibility of each individual who qualifies for the sales tax  
24 exemption authorized in paragraph 34 of Section 1357 of this title.

1 D. The Tax Commission shall cause to be prepared and made  
2 available for public inspection in the office of the Tax Commission  
3 in such manner as it may determine an annual list containing the  
4 name and post office address of each person, whether individual,  
5 corporate, or otherwise, making and filing an income tax return with  
6 the Tax Commission.

7 It is specifically provided that no liability whatsoever, civil  
8 or criminal, shall attach to any member of the Tax Commission or any  
9 employee thereof for any error or omission of any name or address in  
10 the preparation and publication of the list.

11 E. The Tax Commission shall prepare or cause to be prepared a  
12 report on all provisions of state tax law that reduce state revenue  
13 through exclusions, deductions, credits, exemptions, deferrals or  
14 other preferential tax treatments. The report shall be prepared not  
15 later than October 1 of each even-numbered year and shall be  
16 submitted to the Governor, the President Pro Tempore of the Senate  
17 and the Speaker of the House of Representatives. The Tax Commission  
18 may prepare and submit supplements to the report at other times of  
19 the year if additional or updated information relevant to the report  
20 becomes available. The report shall include, for the previous  
21 fiscal year, the Tax Commission's best estimate of the amount of  
22 state revenue that would have been collected but for the existence  
23 of each such exclusion, deduction, credit, exemption, deferral or  
24 other preferential tax treatment allowed by law. The Tax Commission

1 may request the assistance of other state agencies as may be needed  
2 to prepare the report. The Tax Commission is authorized to require  
3 any recipient of a tax incentive or tax expenditure to report to the  
4 Tax Commission such information as requested so that the Tax  
5 Commission may fulfill its obligations as required by this  
6 subsection. The Tax Commission may require this information to be  
7 submitted in an electronic format. The Tax Commission may disallow  
8 any claim of a person for a tax incentive due to its failure to file  
9 a report as required under the authority of this subsection.

10 F. It is further provided that the provisions of this section  
11 shall be strictly interpreted and shall not be construed as  
12 permitting the disclosure of any other information contained in the  
13 records and files of the Tax Commission relating to income tax or to  
14 any other taxes.

15 G. Unless otherwise provided for in this section, any violation  
16 of the provisions of this section shall constitute a misdemeanor and  
17 shall be punishable by the imposition of a fine not exceeding One  
18 Thousand Dollars (\$1,000.00) or by imprisonment in the county jail  
19 for a term not exceeding one (1) year, or by both such fine and  
20 imprisonment, and the offender shall be removed or dismissed from  
21 office.

22 H. Offenses described in Section 2376 of this title shall be  
23 reported to the appropriate district attorney of this state by the  
24 Tax Commission as soon as the offenses are discovered by the Tax

1 Commission or its agents or employees. The Tax Commission shall  
2 make available to the appropriate district attorney or to the  
3 authorized agent of the district attorney its records and files  
4 pertinent to prosecutions, and such records and files shall be fully  
5 admissible as evidence for the purpose of such prosecutions.

6 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1357, as  
7 last amended by Section 10, Chapter 229, O.S.L. 2017 (68 O.S. Supp.  
8 2019, Section 1357), is amended to read as follows:

9 Section 1357. Exemptions - General.

10 There are hereby specifically exempted from the tax levied by  
11 the Oklahoma Sales Tax Code:

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

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

17 3. Sales for resale to persons engaged in the business of  
18 reselling the articles purchased, whether within or without the  
19 state, provided that such sales to residents of this state are made  
20 to persons to whom sales tax permits have been issued as provided in  
21 the Oklahoma Sales Tax Code. This exemption shall not apply to the  
22 sales of articles made to persons holding permits when such persons  
23 purchase items for their use and which they are not regularly  
24 engaged in the business of reselling; neither shall this exemption

1 apply to sales of tangible personal property to peddlers, solicitors  
2 and other salespersons who do not have an established place of  
3 business and a sales tax permit. The exemption provided by this  
4 paragraph shall apply to sales of motor fuel or diesel fuel to a  
5 Group Five vendor, but the use of such motor fuel or diesel fuel by  
6 the Group Five vendor shall not be exempt from the tax levied by the  
7 Oklahoma Sales Tax Code. The purchase of motor fuel or diesel fuel  
8 is exempt from sales tax when the motor fuel is for shipment outside  
9 this state and consumed by a common carrier by rail in the conduct  
10 of its business. The sales tax shall apply to the purchase of motor  
11 fuel or diesel fuel in Oklahoma by a common carrier by rail when  
12 such motor fuel is purchased for fueling, within this state, of any  
13 locomotive or other motorized flanged wheel equipment;

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

15 5. Sales of programs relating to sporting and entertainment  
16 events, and sales of advertising on billboards (including signage,  
17 posters, panels, marquees, or on other similar surfaces, whether  
18 indoors or outdoors) or in programs relating to sporting and  
19 entertainment events, and sales of any advertising, to be displayed  
20 at or in connection with a sporting event, via the Internet,  
21 electronic display devices, or through public address or broadcast  
22 systems. The exemption authorized by this paragraph shall be  
23 effective for all sales made on or after January 1, 2001;

24



1           6. Sales of any advertising, other than the advertising  
2 described by paragraph 5 of this section, via the Internet,  
3 electronic display devices, or through the electronic media,  
4 including radio, public address or broadcast systems, television  
5 (whether through closed circuit broadcasting systems or otherwise),  
6 and cable and satellite television, and the servicing of any  
7 advertising devices;

8           7. Eggs, feed, supplies, machinery and equipment purchased by  
9 persons regularly engaged in the business of raising worms, fish,  
10 any insect or any other form of terrestrial or aquatic animal life  
11 and used for the purpose of raising same for marketing. This  
12 exemption shall only be granted and extended to the purchaser when  
13 the items are to be used and in fact are used in the raising of  
14 animal life as set out above. Each purchaser shall certify, in  
15 writing, on the invoice or sales ticket retained by the vendor that  
16 the purchaser is regularly engaged in the business of raising such  
17 animal life and that the items purchased will be used only in such  
18 business. The vendor shall certify to the Oklahoma Tax Commission  
19 that the price of the items has been reduced to grant the full  
20 benefit of the exemption. Violation hereof by the purchaser or  
21 vendor shall be a misdemeanor;

22           8. Sale of natural or artificial gas and electricity, and  
23 associated delivery or transmission services, when sold exclusively  
24 for residential use. Provided, this exemption shall not apply to

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

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

8 10. Transfers of title or possession of empty, partially  
9 filled, or filled returnable oil and chemical drums to any person  
10 who is not regularly engaged in the business of selling, reselling  
11 or otherwise transferring empty, partially filled, or filled  
12 returnable oil drums;

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

16 12. Sales of food or food products for home consumption which  
17 are purchased in whole or in part with coupons issued pursuant to  
18 the federal food stamp program as authorized by Sections 2011  
19 through 2029 of Title 7 of the United States Code, as to that  
20 portion purchased with such coupons. The exemption provided for  
21 such sales shall be inapplicable to such sales upon the effective  
22 date of any federal law that removes the requirement of the  
23 exemption as a condition for participation by the state in the  
24 federal food stamp program;

1       13. Sales of food or food products, or any equipment or  
2 supplies used in the preparation of the food or food products to or  
3 by an organization which:

4           a. is exempt from taxation pursuant to the provisions of  
5 Section 501(c)(3) of the Internal Revenue Code, 26  
6 U.S.C., Section 501(c)(3), and which provides and  
7 delivers prepared meals for home consumption to  
8 elderly or homebound persons as part of a program  
9 commonly known as "Meals on Wheels" or "Mobile Meals",  
10 or

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

17       14. a. Sales of tangible personal property or services to or  
18 by organizations which are exempt from taxation  
19 pursuant to the provisions of Section 501(c)(3) of the  
20 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),  
21 and:

22           (1) are primarily involved in the collection and  
23 distribution of food and other household products  
24 to other organizations that facilitate the

1 distribution of such products to the needy and  
2 such distributee organizations are exempt from  
3 taxation pursuant to the provisions of Section  
4 501(c) (3) of the Internal Revenue Code, 26  
5 U.S.C., Section 501(c) (3), or

6 (2) facilitate the distribution of such products to  
7 the needy.

8 b. Sales made in the course of business for profit or  
9 savings, competing with other persons engaged in the  
10 same or similar business shall not be exempt under  
11 this paragraph;

12 15. Sales of tangible personal property or services to  
13 children's homes which are located on church-owned property and are  
14 operated by organizations exempt from taxation pursuant to the  
15 provisions of the Internal Revenue Code, 26 U.S.C., Section  
16 501(c) (3);

17 16. Sales of computers, data processing equipment, related  
18 peripherals and telephone, telegraph or telecommunications service  
19 and equipment for use in a qualified aircraft maintenance or  
20 manufacturing facility. For purposes of this paragraph, "qualified  
21 aircraft maintenance or manufacturing facility" means a new or  
22 expanding facility primarily engaged in aircraft repair, building or  
23 rebuilding whether or not on a factory basis, whose total cost of  
24 construction exceeds the sum of Five Million Dollars (\$5,000,000.00)

1 and which employs at least two hundred fifty (250) new full-time-  
2 equivalent employees, as certified by the Oklahoma Employment  
3 Security Commission, upon completion of the facility. In order to  
4 qualify for the exemption provided for by this paragraph, the cost  
5 of the items purchased by the qualified aircraft maintenance or  
6 manufacturing facility shall equal or exceed the sum of Two Million  
7 Dollars (\$2,000,000.00);

8 17. Sales of tangible personal property consumed or  
9 incorporated in the construction or expansion of a qualified  
10 aircraft maintenance or manufacturing facility as defined in  
11 paragraph 16 of this section. For purposes of this paragraph, sales  
12 made to a contractor or subcontractor that has previously entered  
13 into a contractual relationship with a qualified aircraft  
14 maintenance or manufacturing facility for construction or expansion  
15 of such a facility shall be considered sales made to a qualified  
16 aircraft maintenance or manufacturing facility;

17 18. Sales of the following telecommunications services:

18 a. Interstate and International "800 service". "800  
19 service" means a "telecommunications service" that  
20 allows a caller to dial a toll-free number without  
21 incurring a charge for the call. The service is  
22 typically marketed under the name "800", "855", "866",  
23 "877", and "888" toll-free calling, and any subsequent  
24

1 numbers designated by the Federal Communications  
2 Commission, or

3 b. Interstate and International "900 service". "900  
4 service" means an inbound toll "telecommunications  
5 service" purchased by a subscriber that allows the  
6 subscriber's customers to call in to the subscriber's  
7 prerecorded announcement or live service. "900  
8 service" does not include the charge for: collection  
9 services provided by the seller of the  
10 "telecommunications services" to the subscriber, or  
11 service or product sold by the subscriber to the  
12 subscriber's customer. The service is typically  
13 marketed under the name "900 service", and any  
14 subsequent numbers designated by the Federal  
15 Communications Commission,

16 c. Interstate and International "private communications  
17 service". "Private communications service" means a  
18 "telecommunications service" that entitles the  
19 customer to exclusive or priority use of a  
20 communications channel or group of channels between or  
21 among termination points, regardless of the manner in  
22 which such channel or channels are connected, and  
23 includes switching capacity, extension lines,  
24 stations, and any other associated services that are

1 provided in connection with the use of such channel or  
2 channels,

3 d. "Value-added nonvoice data service". "Value-added  
4 nonvoice data service" means a service that otherwise  
5 meets the definition of "telecommunications services"  
6 in which computer processing applications are used to  
7 act on the form, content, code, or protocol of the  
8 information or data primarily for a purpose other than  
9 transmission, conveyance or routing,

10 e. Interstate and International telecommunications  
11 service which is:

12 (1) rendered by a company for private use within its  
13 organization, or

14 (2) used, allocated, or distributed by a company to  
15 its affiliated group,

16 f. Regulatory assessments and charges, including charges  
17 to fund the Oklahoma Universal Service Fund, the  
18 Oklahoma Lifeline Fund and the Oklahoma High Cost  
19 Fund, and

20 g. Telecommunications nonrecurring charges, including but  
21 not limited to the installation, connection, change or  
22 initiation of telecommunications services which are  
23 not associated with a retail consumer sale;

24

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

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

23

24



1        21. Sales of machinery and equipment purchased and used by  
2 persons and establishments primarily engaged in computer services  
3 and data processing:

4            a. as defined under Industrial Group Numbers 7372 and  
5                7373 of the Standard Industrial Classification (SIC)  
6                Manual, latest version, which derive at least fifty  
7                percent (50%) of their annual gross revenues from the  
8                sale of a product or service to an out-of-state buyer  
9                or consumer, and

10           b. as defined under Industrial Group Number 7374 of the  
11                SIC Manual, latest version, which derive at least  
12                eighty percent (80%) of their annual gross revenues  
13                from the sale of a product or service to an out-of-  
14                state buyer or consumer.

15        Eligibility for the exemption set out in this paragraph shall be  
16 established, subject to review by the Tax Commission, by annually  
17 filing an affidavit with the Tax Commission stating that the  
18 facility so qualifies and such information as required by the Tax  
19 Commission. For purposes of determining whether annual gross  
20 revenues are derived from sales to out-of-state buyers or consumers,  
21 all sales to the federal government shall be considered to be to an  
22 out-of-state buyer or consumer;

23        22. Sales of prosthetic devices to an individual for use by  
24 such individual. For purposes of this paragraph, "prosthetic

1 device" shall have the same meaning as provided in Section 1357.6 of  
2 this title, but shall not include corrective eye glasses, contact  
3 lenses or hearing aids;

4 23. Sales of tangible personal property or services to a motion  
5 picture or television production company to be used or consumed in  
6 connection with an eligible production. For purposes of this  
7 paragraph, "eligible production" means a documentary, special, music  
8 video, or a television commercial or television program that will  
9 serve as a pilot for or be a segment of an ongoing dramatic or  
10 situation comedy series filmed or taped for network or national or  
11 regional syndication or a feature-length motion picture intended for  
12 theatrical release or for network or national or regional  
13 syndication or broadcast. The provisions of this paragraph shall  
14 apply to sales occurring on or after July 1, 1996. In order to  
15 qualify for the exemption, the motion picture or television  
16 production company shall file any documentation and information  
17 required to be submitted pursuant to rules promulgated by the Tax  
18 Commission;

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

21 25. Sales of tangible personal property or services to tax-  
22 exempt independent nonprofit biomedical research foundations that  
23 provide educational programs for Oklahoma science students and  
24

1 teachers and to tax-exempt independent nonprofit community blood  
2 banks headquartered in this state;

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

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

11 28. Beginning July 1, 2005, sales of aircraft engine repairs,  
12 modification, and replacement parts, sales of aircraft frame repairs  
13 and modification, aircraft interior modification, and paint, and  
14 sales of services employed in the repair, modification and  
15 replacement of parts of aircraft engines, aircraft frame and  
16 interior repair and modification, and paint;

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

- 20 a. are loaded on the ship, motor vessel or barge and used  
21 in the maintenance and operation of the ship, motor  
22 vessel or barge, or  
23 b. enter into and become component parts of the ship,  
24 motor vessel or barge;

1           30. Sales of tangible personal property made at estate sales at  
2 which such property is offered for sale on the premises of the  
3 former residence of the decedent by a person who is not required to  
4 be licensed pursuant to the Transient Merchant Licensing Act, or who  
5 is not otherwise required to obtain a sales tax permit for the sale  
6 of such property pursuant to the provisions of Section 1364 of this  
7 title; provided:

- 8           a. such sale or event may not be held for a period  
9           exceeding three (3) consecutive days,
- 10          b. the sale must be conducted within six (6) months of  
11          the date of death of the decedent, and
- 12          c. the exemption allowed by this paragraph shall not be  
13          allowed for property that was not part of the  
14          decedent's estate;

15           31. Beginning January 1, 2004, sales of electricity and  
16 associated delivery and transmission services, when sold exclusively  
17 for use by an oil and gas operator for reservoir dewatering projects  
18 and associated operations commencing on or after July 1, 2003, in  
19 which the initial water-to-oil ratio is greater than or equal to  
20 five-to-one water-to-oil, and such oil and gas development projects  
21 have been classified by the Corporation Commission as a reservoir  
22 dewatering unit;

23           32. Sales of prewritten computer software that is delivered  
24 electronically. For purposes of this paragraph, "delivered

1 electronically" means delivered to the purchaser by means other than  
2 tangible storage media;

3 33. Sales of modular dwelling units when built at a production  
4 facility and moved in whole or in parts, to be assembled on-site,  
5 and permanently affixed to the real property and used for  
6 residential or commercial purposes. The exemption provided by this  
7 paragraph shall equal forty-five percent (45%) of the total sales  
8 price of the modular dwelling unit. For purposes of this paragraph,  
9 "modular dwelling unit" means a structure that is not subject to the  
10 motor vehicle excise tax imposed pursuant to Section 2103 of this  
11 title;

12 34. Sales of tangible personal property or services to:  
13 a. persons who are residents of Oklahoma and have been  
14 honorably discharged from active service in any branch  
15 of the Armed Forces of the United States or Oklahoma  
16 National Guard and who have been certified by the  
17 United States Department of Veterans Affairs or its  
18 successor to be in receipt of disability compensation  
19 at the one-hundred-percent rate and the disability  
20 shall be permanent and have been sustained through  
21 military action or accident or resulting from disease  
22 contracted while in such active service and registered  
23 with the veterans registry created by the Oklahoma  
24 Department of Veterans Affairs; provided, that if the

1           veteran ~~has previously~~ received the sales tax  
2           exemption ~~pursuant to this subparagraph, no~~  
3           ~~registration with the veterans registry prior to~~  
4           November 1, 2020, he or she shall be required to  
5           register with the veterans registry prior to July 1,  
6           2022, in order to remain qualified, or

7           b.   the surviving spouse of the person in subparagraph a  
8           of this paragraph if the person is deceased and the  
9           spouse has not remarried. Sales for the benefit of an  
10          eligible person to a spouse of the eligible person or  
11          to a member of the household in which the eligible  
12          person resides and who is authorized to make purchases  
13          on the person's behalf, when such eligible person is  
14          not present at the sale, shall also be exempt for  
15          purposes of this paragraph. The Oklahoma Tax  
16          Commission shall issue a separate exemption card to a  
17          spouse of an eligible person or to a member of the  
18          household in which the eligible person resides who is  
19          authorized to make purchases on the person's behalf,  
20          if requested by the eligible person. Sales qualifying  
21          for the exemption authorized by this paragraph shall  
22          not exceed Twenty-five Thousand Dollars (\$25,000.00)  
23          per year per individual while the disabled veteran is  
24          living. Sales qualifying for the exemption authorized

1 by this paragraph shall not exceed One Thousand  
2 Dollars (\$1,000.00) per year for an unremarried  
3 surviving spouse. Upon request of the Tax Commission,  
4 a person asserting or claiming the exemption  
5 authorized by this paragraph shall provide a  
6 statement, executed under oath, that the total sales  
7 amounts for which the exemption is applicable have not  
8 exceeded Twenty-five Thousand Dollars (\$25,000.00) per  
9 year per living disabled veteran or One Thousand  
10 Dollars (\$1,000.00) per year for an unremarried  
11 surviving spouse. If the amount of such exempt sales  
12 exceeds such amount, the sales tax in excess of the  
13 authorized amount shall be treated as a direct sales  
14 tax liability and may be recovered by the Tax  
15 Commission in the same manner provided by law for  
16 other taxes, including penalty and interest. The Tax  
17 Commission shall promulgate any rules necessary to  
18 implement the provisions of this ~~section~~ paragraph,  
19 which shall include rules providing for the disclosure  
20 of information about persons eligible for the  
21 exemption authorized in this paragraph to the Oklahoma  
22 Department of Veteran's Affairs, as authorized in  
23 Section 205 of this title;  
24

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

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



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

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

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

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

12           41. Before July 1, 2019, sales of rolling stock when sold or  
13 leased by the manufacturer, regardless of whether the purchaser is a  
14 public services corporation engaged in business as a common carrier  
15 of property or passengers by railway, for use or consumption by a  
16 common carrier directly in the rendition of public service. For  
17 purposes of this paragraph, "rolling stock" means locomotives,  
18 autocars and railroad cars; 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.

5 SECTION 3. AMENDATORY Section 1, Chapter 229, O.S.L.  
6 2017, as last amended by Section 1, Chapter 124, O.S.L. 2019 (72  
7 O.S. Supp. 2019, Section 421), is amended to read as follows:

8 Section 421. A. The Oklahoma Department of Veterans Affairs  
9 shall create and maintain a registry of all veterans in this state  
10 by January 1, 2020, which shall be titled the "Oklahoma Veterans  
11 Registry". The registry shall include the following information  
12 regarding the veteran:

- 13 1. Name;
- 14 2. Military rank and branch of service;
- 15 3. Dates of service;
- 16 4. Percentage of service-connected disability, if applicable;
- 17 5. Date of death and place of interment, if applicable; and
- 18 6. Name of the veteran's spouse, if applicable.

19 B. As a component of the veterans registry created pursuant to  
20 subsection A of this section, the Oklahoma Department of Veterans  
21 Affairs shall designate those veterans within the registry as one  
22 hundred percent (100%) service-disabled Oklahoma veterans, if  
23 applicable. The registry designation shall also be maintained as a  
24 separate list within the registry for all one hundred percent (100%)

1 service-disabled Oklahoma veterans. The Department shall be  
2 responsible for verification of all information provided through the  
3 registry and shall verify veteran service disability status at least  
4 once every four (4) years or upon request of the Oklahoma Tax  
5 Commission, as needed to verify eligibility for the sales tax  
6 exemption authorized in paragraph 34 of Section 1357 of Title 68 of  
7 the Oklahoma Statutes.

8 C. The Oklahoma Department of Veterans Affairs may promulgate  
9 rules for implementing the provisions of this section.

10 D. For purposes of this section, "veteran" shall have the same  
11 meaning as specified in Section 2 of this title.

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

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