

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 COMMITTEE SUBSTITUTE

4 FOR

5 SENATE BILL 1499

6 By: Garvin

7 COMMITTEE SUBSTITUTE

8 An Act relating to feminine hygiene products;
9 defining terms; creating the Feminine Hygiene
10 Program; directing the State Department of Health to
11 administer program; requiring the provision of
12 certain grants to local health departments; stating
13 purpose of grants; stipulating grant application
14 process; authorizing local health departments to
15 partner with certain entities; requiring
16 determination from Department based on certain
17 metrics; directing promulgation of rules; creating
18 the Feminine Hygiene Program Revolving Fund; stating
19 sources of funds; providing for expenditures from
20 fund; amending 68 O.S. 2021, Section 1353, which
21 relates to sales tax apportionment; providing
22 apportionment to Feminine Hygiene Program Revolving
23 Fund; amending 68 O.S. 2021, Section 1357, as last
24 amended by Section 1, Chapter 68, O.S.L. 2021, which
relates to exemptions; providing exemption for
feminine hygiene products; requiring exemption
administered in the form of a refund; authorizing
purchaser to apply for refund within certain period;
requiring furnishment of certain receipts; directing
the Oklahoma Tax Commission to prescribe form;
defining term; providing for codification; and
providing an effective date.

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

1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1-228 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 A. As used in this section:

5 1. "Feminine hygiene products" means tampons, panty liners,
6 menstrual cups, sanitary napkins, and other products designed for
7 feminine hygiene in connection with the human menstrual cycle; and

8 2. "Local health department" means a county department of
9 health, a cooperative department of health, a district department of
10 health, or a city-county health department.

11 B. There is hereby created the Feminine Hygiene Program. The
12 State Department of Health shall administer the Feminine Hygiene
13 Program to provide grants to local health departments for the
14 purpose of providing feminine hygiene products to women.

15 C. Local health departments may apply to the State Department
16 of Health for available funds. The application shall be on a form
17 provided by the Department and shall contain information including
18 but not limited to the items the local health department plans to
19 purchase, the needs of the population the local health department
20 intends to serve, and any entities the local health department plans
21 to partner with to distribute feminine hygiene products.

22 D. For the distribution of feminine hygiene products, local
23 health departments may partner with public schools, institutions of
24

1 higher education, career tech centers, and nonprofit organizations
2 that are solely organized in this state.

3 E. The State Department of Health shall determine grant
4 application approvals and grant amounts based on a measure of the
5 needs of the population the local health department intends to
6 serve. The Department shall determine a measure of needs by
7 analyzing information on the population to be served including but
8 not limited to health statistics, income levels, employment
9 statistics, or rates of domestic crime.

10 F. The State Commissioner of Health shall promulgate rules to
11 administer the provisions of this sections.

12 SECTION 2. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 1-228.1 of Title 63, unless
14 there is created a duplication in numbering, reads as follows:

15 There is hereby created in the State Treasury a revolving fund
16 for the State Department of Health, to be designated the "Feminine
17 Hygiene Program Revolving Fund". The fund shall be a continuing
18 fund, not subject to fiscal year limitations, and shall consist of
19 all monies received by the State Department of Health from
20 appropriations of the Legislature, federal grants or funds, and
21 sales tax apportionments pursuant to Section 1353 of Title 68 of the
22 Oklahoma Statutes. All monies accruing to the credit of the fund
23 are hereby appropriated and shall be budgeted and expended to
24 administer and provide grants pursuant to the Feminine Hygiene

1 Program created in Section 1 of this act. Expenditures from the
2 fund shall be made upon warrants issued by the State Treasurer
3 against claims filed as prescribed by law with the Director of the
4 Office of Management and Enterprise Services for approval and
5 payment.

6 SECTION 3. AMENDATORY 68 O.S. 2021, Section 1353, is
7 amended to read as follows:

8 Section 1353. A. It is hereby declared to be the purpose of
9 the Oklahoma Sales Tax Code to provide funds for the financing of
10 the program provided for by the Oklahoma Social Security Act and to
11 provide revenues for the support of the functions of the state
12 government of Oklahoma, and for this purpose it is hereby expressly
13 provided that, revenues derived pursuant to the provisions of the
14 Oklahoma Sales Tax Code, subject to the apportionment requirements
15 for the Oklahoma Tax Commission and Office of Management and
16 Enterprise Services Joint Computer Enhancement Fund provided by
17 Section 265 of this title, shall be apportioned as follows:

18 1. Except as provided in subsections C and D of this section,
19 the following amounts shall be paid to the State Treasurer to be
20 placed to the credit of the General Revenue Fund to be paid out
21 pursuant to direct appropriation by the Legislature:

22 Fiscal Year	Amount
23 FY 2003 and FY 2004	86.04%
24 FY 2005	85.83%

1	FY 2006	85.54%
2	FY 2007	85.04%
3	FY 2008 through FY 2022	83.61%
4	FY 2023 through FY 2027	83.36%
5	FY 2028 and each fiscal year thereafter	83.61%;

6 2. The following amounts shall be paid to the State Treasurer
7 to be placed to the credit of the Education Reform Revolving Fund of
8 the State Department of Education:

- 9 a. for FY 2003, FY 2004 and FY 2005, ten and forty-two
10 one-hundredths percent (10.42%),
- 11 b. for FY 2006 through FY 2020, ten and forty-six one-
12 hundredths percent (10.46%),
- 13 c. for FY 2021:
 - 14 (1) for the month beginning July 1, 2020, through the
15 month ending August 31, 2020, ten and forty-six
16 one-hundredths percent (10.46%), and
 - 17 (2) for the month beginning September 1, 2020,
18 through the month ending June 30, 2021, eleven
19 and ninety-six one-hundredths percent (11.96%),
- 20 d. for FY 2022 and each fiscal year thereafter, ten and
21 forty-six one-hundredths percent (10.46%);

22 3. The following amounts shall be paid to the State Treasurer
23 to be placed to the credit of the Teachers' Retirement System
24 Dedicated Revenue Revolving Fund:

1	Fiscal Year	Amount
2	FY 2003 and FY 2004	3.54%
3	FY 2005	3.75%
4	FY 2006	4.0%
5	FY 2007	4.5%
6	FY 2008 through FY 2020	5.0%
7	FY 2021:	
8	a. for the month beginning July	
9	1, 2020, through the month	
10	ending August 31, 2020	5.0%
11	b. for the month beginning	
12	September 1, 2020, through	
13	the month ending June 30,	
14	2021	3.5%
15	FY 2022	5.0%
16	FY 2023 through FY 2027	5.25%
17	FY 2028 and each fiscal year thereafter	5.0%;
18	4. a. except as otherwise provided in subparagraph b of this	
19	paragraph, for the fiscal year beginning July 1, 2015,	
20	and for each fiscal year thereafter, eighty-seven one-	
21	hundredths percent (0.87%) shall be paid to the State	
22	Treasurer to be further apportioned as follows:	
23	(1) thirty-six percent (36%) shall be placed to the	
24	credit of the Oklahoma Tourism Promotion	

1 Revolving Fund, but in no event shall such
2 apportionment exceed Five Million Dollars
3 (\$5,000,000.00) in any fiscal year, and

4 (2) sixty-four percent (64%) shall be placed to the
5 credit of the Oklahoma Tourism Capital
6 Improvement Revolving Fund, but in no event shall
7 such apportionment exceed Nine Million Dollars
8 (\$9,000,000.00) in any fiscal year, and

9 b. any amounts which exceed the limitations of
10 subparagraph a of this paragraph shall be placed to
11 the credit of the General Revenue Fund; and

12 5. For the fiscal year beginning July 1, 2015, and for each
13 fiscal year thereafter, six one-hundredths percent (0.06%) shall be
14 placed to the credit of the Oklahoma Historical Society Capital
15 Improvement and Operations Revolving Fund, but in no event shall
16 such apportionment exceed the total amount apportioned pursuant to
17 this paragraph for the fiscal year ending on June 30, 2015. Any
18 amounts which exceed the limitations of this paragraph shall be
19 placed to the credit of the General Revenue Fund.

20 B. Provided, for the fiscal year beginning July 1, 2007, and
21 every fiscal year thereafter, an amount of revenue shall be
22 apportioned to each municipality or county which levies a sales tax
23 subject to the provisions of Section 1357.10 of this title and
24 subsection F of Section 2701 of this title equal to the amount of

1 sales tax revenue of such municipality or county exempted by the
2 provisions of Section 1357.10 of this title and subsection F of
3 Section 2701 of this title. The Oklahoma Tax Commission shall
4 promulgate and adopt rules necessary to implement the provisions of
5 this subsection.

6 C. From the monies that would otherwise be apportioned to the
7 General Revenue Fund pursuant to subsection A of this section, there
8 shall be apportioned the following amounts:

9 1. For the month ending August 31, 2019:

10 a. Nine Million Six Hundred Thousand Dollars
11 (\$9,600,000.00) to the credit of the State Highway
12 Construction and Maintenance Fund created in Section
13 1501 of Title 69 of the Oklahoma Statutes, and

14 b. Two Million Dollars (\$2,000,000.00) to the credit of
15 the Oklahoma Railroad Maintenance Revolving Fund
16 created in Section 309 of Title 66 of the Oklahoma
17 Statutes;

18 2. For the month ending September 30, 2019:

19 a. Twenty Million Dollars (\$20,000,000.00) to the credit
20 of the State Highway Construction and Maintenance Fund
21 created in Section 1501 of Title 69 of the Oklahoma
22 Statutes, and

23 b. Two Million Dollars (\$2,000,000.00) to the credit of
24 the Oklahoma Railroad Maintenance Revolving Fund

1 created in Section 309 of Title 66 of the Oklahoma
2 Statutes;

3 3. For the month ending October 31, 2019:

4 a. Twenty Million Dollars (\$20,000,000.00) to the credit
5 of the State Highway Construction and Maintenance Fund
6 created in Section 1501 of Title 69 of the Oklahoma
7 Statutes, and

8 b. Two Million Dollars (\$2,000,000.00) to the credit of
9 the Oklahoma Railroad Maintenance Revolving Fund
10 created in Section 309 of Title 66 of the Oklahoma
11 Statutes;

12 4. For the month ending November 30, 2019:

13 a. Twenty Million Dollars (\$20,000,000.00) to the credit
14 of the State Highway Construction and Maintenance Fund
15 created in Section 1501 of Title 69 of the Oklahoma
16 Statutes, and

17 b. Two Million Dollars (\$2,000,000.00) to the credit of
18 the Oklahoma Railroad Maintenance Revolving Fund
19 created in Section 309 of Title 66 of the Oklahoma
20 Statutes; and

21 5. For the month ending December 31, 2019:

22 a. Twenty Million Dollars (\$20,000,000.00) to the credit
23 of the State Highway Construction and Maintenance Fund
24

1 created in Section 1501 of Title 69 of the Oklahoma
2 Statutes, and

3 b. Two Million Dollars (\$2,000,000.00) to the credit of
4 the Oklahoma Railroad Maintenance Revolving Fund
5 created in Section 309 of Title 66 of the Oklahoma
6 Statutes.

7 D. For fiscal year 2023, and each subsequent fiscal year,
8 before any other apportionment otherwise required by this section is
9 made to the General Revenue Fund, there shall be apportioned to the
10 State Public Common School Building Equalization Fund an amount, if
11 any, as required pursuant to Section 3-104 of Title 70 of the
12 Oklahoma Statutes, not to exceed the state sales tax generated by
13 medical marijuana sales in the preceding fiscal year as reported by
14 the Oklahoma Tax Commission.

15 E. For fiscal year 2024 and each subsequent fiscal year, before
16 any other apportionment otherwise required by this section is made
17 to the General Revenue Fund, there shall be apportioned One Million
18 Dollars (\$1,000,000.00) to the Feminine Hygiene Program Revolving
19 Fund created in Section 2 of this act.

20 SECTION 4. AMENDATORY 68 O.S. 2021, Section 1357, as
21 last amended by Section 1, Chapter 68, O.S.L. 2021, is amended to
22 read as follows:
23
24

1 Section 1357. Exemptions - General. There are hereby
2 specifically exempted from the tax levied by the Oklahoma Sales Tax
3 Code:

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

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

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

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

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

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

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

23 7. Eggs, feed, supplies, machinery, and equipment purchased by
24 persons regularly engaged in the business of raising worms, fish,

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

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

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

23 10. Transfers of title or possession of empty, partially
24 filled, or filled returnable oil and chemical drums to any person

1 who is not regularly engaged in the business of selling, reselling,
2 or otherwise transferring empty, partially filled, or filled
3 returnable oil drums;

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

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

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

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

24

1 commonly known as "Meals on Wheels" or "Mobile Meals",
2 or

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

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

14 (1) are primarily involved in the collection and
15 distribution of food and other household products
16 to other organizations that facilitate the
17 distribution of such products to the needy and
18 such distributee organizations are exempt from
19 taxation pursuant to the provisions of Section
20 501(c)(3) of the Internal Revenue Code, 26
21 U.S.C., Section 501(c)(3), or

22 (2) facilitate the distribution of such products to
23 the needy.
24

1 b. Sales made in the course of business for profit or
2 savings, competing with other persons engaged in the
3 same or similar business shall not be exempt under
4 this paragraph;

5 15. Sales of tangible personal property or services to
6 children's homes which are located on church-owned property and are
7 operated by organizations exempt from taxation pursuant to the
8 provisions of the Internal Revenue Code, 26 U.S.C., Section
9 501(c) (3);

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

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

10 18. Sales of the following telecommunications services:

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

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

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

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

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

1 information or data primarily for a purpose other than
2 transmission, 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, or
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 Group Numbers 7372 and
19 7373 of the Standard Industrial Classification (SIC)
20 Manual, latest version, which derive at least fifty
21 percent (50%) of their annual gross revenues from the
22 sale of a product or service to an out-of-state buyer
23 or consumer, and
24

1 b. as defined under Industrial Group Number 7374 of the
2 SIC Manual, latest version, which derive at least
3 eighty percent (80%) of their annual gross revenues
4 from the sale of a product or service to an out-of-
5 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 persons
4 who are residents of Oklahoma and have been honorably discharged
5 from active service in any branch of the Armed Forces of the United
6 States or Oklahoma National Guard and who have been certified by the
7 United States Department of Veterans Affairs or its successor to be
8 in receipt of disability compensation at the one-hundred-percent
9 rate and the disability shall be permanent and have been sustained
10 through military action or accident or resulting from disease
11 contracted while in such active service or the surviving spouse of
12 such person if the person is deceased and the spouse has not
13 remarried; provided, sales for the benefit of the person to a spouse
14 of the eligible person or to a member of the household in which the
15 eligible person resides and who is authorized to make purchases on
16 the person's behalf, when such eligible person is not present at the
17 sale, shall also be exempt for purposes of this paragraph. The
18 Oklahoma Tax Commission shall issue a separate exemption card to a
19 spouse of an eligible person or to a member of the household in
20 which the eligible person resides who is authorized to make
21 purchases on the person's behalf, if requested by the eligible
22 person. Sales qualifying for the exemption authorized by this
23 paragraph shall not exceed Twenty-five Thousand Dollars (\$25,000.00)
24 per year per individual while the disabled veteran is living. Sales

1 qualifying for the exemption authorized by this paragraph shall not
2 exceed One Thousand Dollars (\$1,000.00) per year for an unremarried
3 surviving spouse. Upon request of the Tax Commission, a person
4 asserting or claiming the exemption authorized by this paragraph
5 shall provide a statement, executed under oath, that the total sales
6 amounts for which the exemption is applicable have not exceeded
7 Twenty-five Thousand Dollars (\$25,000.00) per year per living
8 disabled veteran or One Thousand Dollars (\$1,000.00) per year for an
9 unremarried surviving spouse. If the amount of such exempt sales
10 exceeds such amount, the sales tax in excess of the authorized
11 amount shall be treated as a direct sales tax liability and may be
12 recovered by the Tax Commission in the same manner provided by law
13 for other taxes, including penalty and interest;

14 35. Sales of electricity to the operator, specifically
15 designated by the Corporation Commission, of a spacing unit or lease
16 from which oil is produced or attempted to be produced using
17 enhanced recovery methods, including, but not limited to, increased
18 pressure in a producing formation through the use of water or
19 saltwater if the electrical usage is associated with and necessary
20 for the operation of equipment required to inject or circulate
21 fluids in a producing formation for the purpose of forcing oil or
22 petroleum into a wellbore for eventual recovery and production from
23 the wellhead. In order to be eligible for the sales tax exemption
24 authorized by this paragraph, the total content of oil recovered

1 after the use of enhanced recovery methods shall not exceed one
2 percent (1%) by volume. The exemption authorized by this paragraph
3 shall be applicable only to the state sales tax rate and shall not
4 be applicable to any county or municipal sales tax rate;

5 36. Sales of intrastate charter and tour bus transportation.
6 As used in this paragraph, "intrastate charter and tour bus
7 transportation" means the transportation of persons from one
8 location in this state to another location in this state in a motor
9 vehicle which has been constructed in such a manner that it may
10 lawfully carry more than eighteen persons, and which is ordinarily
11 used or rented to carry persons for compensation. Provided, this
12 exemption shall not apply to regularly scheduled bus transportation
13 for the general public;

14 37. Sales of vitamins, minerals, and dietary supplements by a
15 licensed chiropractor to a person who is the patient of such
16 chiropractor at the physical location where the chiropractor
17 provides chiropractic care or services to such patient. The
18 provisions of this paragraph shall not be applicable to any drug,
19 medicine, or substance for which a prescription by a licensed
20 physician is required;

21 38. Sales of goods, wares, merchandise, tangible personal
22 property, machinery, and equipment to a web search portal located in
23 this state which derives at least eighty percent (80%) of its annual
24 gross revenue from the sale of a product or service to an out-of-

1 state buyer or consumer. For purposes of this paragraph, "web
2 search portal" means an establishment classified under NAICS code
3 519130 which operates websites that use a search engine to generate
4 and maintain extensive databases of Internet addresses and content
5 in an easily searchable format;

6 39. Sales of tangible personal property consumed or
7 incorporated in the construction or expansion of a facility for a
8 corporation organized under Section 437 et seq. of Title 18 of the
9 Oklahoma Statutes as a rural electric cooperative. For purposes of
10 this paragraph, sales made to a contractor or subcontractor that has
11 previously entered into a contractual relationship with a rural
12 electric cooperative for construction or expansion of a facility
13 shall be considered sales made to a rural electric cooperative;

14 40. Sales of tangible personal property or services to a
15 business primarily engaged in the repair of consumer electronic
16 goods, including, but not limited to, cell phones, compact disc
17 players, personal computers, MP3 players, digital devices for the
18 storage and retrieval of information through hard-wired or wireless
19 computer or Internet connections, if the devices are sold to the
20 business by the original manufacturer of such devices and the
21 devices are repaired, refitted, or refurbished for sale by the
22 entity qualifying for the exemption authorized by this paragraph
23 directly to retail consumers or if the devices are sold to another
24 business entity for sale to retail consumers;

1 41. On or after July 1, 2019, and prior to July 1, 2024, sales
2 or leases of rolling stock when sold or leased by the manufacturer,
3 regardless of whether the purchaser is a public services corporation
4 engaged in business as a common carrier of property or passengers by
5 railway, for use or consumption by a common carrier directly in the
6 rendition of public service. For purposes of this paragraph,
7 "rolling stock" means locomotives, autocars, and railroad cars and
8 "sales or leases" includes railroad car maintenance and retrofitting
9 of railroad cars for their further use only on the railways;

10 42. Sales of gold, silver, platinum, palladium, or other
11 bullion items such as coins and bars and legal tender of any nation,
12 which legal tender is sold according to its value as precious metal
13 or as an investment. As used in the paragraph, "bullion" means any
14 precious metal, including, but not limited to, gold, silver,
15 platinum, and palladium, that is in such a state or condition that
16 its value depends upon its precious metal content and not its form.
17 The exemption authorized by this paragraph shall not apply to
18 fabricated metals that have been processed or manufactured for
19 artistic use or as jewelry; and

20 43. Until January 2027, sales of commercial forestry service
21 equipment, limited to forwarders, fellers, bunchers, track skidders,
22 wheeled skidders, hydraulic excavators, delimiters, soil compactors
23 and skid steer loaders, to businesses engaged in logging, timber and
24 tree farming; and

1 44. Sales of feminine hygiene products. The exemption
2 authorized by this paragraph shall be administered in the form of a
3 refund from the sales tax revenues apportioned pursuant to Section
4 1353 of this title, and the vendor shall be required to collect the
5 sales tax otherwise applicable to the transaction. The purchaser
6 may apply for a refund of the state sales tax paid in the manner
7 prescribed by this paragraph. Within sixty (60) days after the end
8 of each calendar year, any purchaser that is entitled to make
9 application for a refund based upon the exempt treatment authorized
10 by this paragraph may file an application for refund of the state
11 sales taxes paid during the preceding calendar year and shall
12 furnish receipts documenting the exempt purchases made with the
13 application. The Tax Commission shall prescribe a form for purposes
14 of making the application for refund. For the purposes of this
15 paragraph, "feminine hygiene products" means tampons, panty liners,
16 menstrual cups, sanitary napkins, and other similar tangible
17 personal property designed for feminine hygiene in connection with
18 the human menstrual cycle.

19 SECTION 5. This act shall become effective November 1, 2022.

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