

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1502

By: Rader

AS INTRODUCED

An Act relating to sales tax; amending 68 O.S. 2021, Section 1356, as last amended by Section 1, Chapter 394, O.S.L. 2022 (68 O.S. Supp. 2023, Section 1356), which relates to sales tax exemption; providing exemption to entities in connection with the performance of any contract with an exempt entity for certain property and services; updating statutory language; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 1356, as last amended by Section 1, Chapter 394, O.S.L. 2022 (68 O.S. Supp. 2023, Section 1356), is amended to read as follows:

Section 1356. Exemptions - Governmental and nonprofit entities.

There are hereby specifically exempted from the tax levied by Section 1350 et seq. of this title:

A. All sales to contractors in connection with the performance of any contract with any entity exempted pursuant to subsection B of this section shall be exempted from the tax levied by Section 1350 et seq. of this title in the same manner as the exempt entity;

1 B. 1. ~~Sal~~ Sales of tangible personal property or services to
2 the United States government or to the State of Oklahoma, any
3 political subdivision of this state or any agency of a political
4 subdivision of this state; ~~provided, all sales to contractors in~~
5 ~~connection with the performance of any contract with the United~~
6 ~~States government, State of Oklahoma or any of its political~~
7 ~~subdivisions shall not be exempted from the tax levied by Section~~
8 ~~1350 et seq. of this title, except as hereinafter provided;~~

9 2. Sales of property to agents appointed by or under contract
10 with agencies or instrumentalities of the United States government
11 if ownership and possession of such property transfers immediately
12 to the United States government;

13 3. Sales of property to agents appointed by or under contract
14 with a political subdivision of this state if the sale of such
15 property is associated with the development of a qualified federal
16 facility, as provided in the Oklahoma Federal Facilities Development
17 Act, and if ownership and possession of such property transfers
18 immediately to the political subdivision or the state;

19 4. Sales made directly by county, district or state fair
20 authorities of this state, upon the premises of the fair authority,
21 for the sole benefit of the fair authority or sales of admission
22 tickets to such fairs or fair events at any location in the state
23 authorized by county, district or state fair authorities; provided,
24 the exemption provided by this paragraph for admission tickets to

1 fair events shall apply only to any portion of the admission price
2 that is retained by or distributed to the fair authority. As used
3 in this paragraph, "fair event" shall be limited to an event held on
4 the premises of the fair authority in conjunction with and during
5 the time period of a county, district or state fair;

6 5. ~~Sale~~ Sales of food in cafeterias or lunchrooms of elementary
7 schools, high schools, colleges or universities which are operated
8 primarily for teachers and pupils and are not operated primarily for
9 the public or for profit;

10 6. Dues paid to fraternal, religious, civic, charitable or
11 educational societies or organizations by regular members thereof,
12 provided, such societies or organizations operate under what is
13 commonly termed the lodge plan or system, and provided such
14 societies or organizations do not operate for a profit which inures
15 to the benefit of any individual member or members thereof to the
16 exclusion of other members and dues paid monthly or annually to
17 privately owned scientific and educational libraries by members
18 sharing the use of services rendered by such libraries with students
19 interested in the study of geology, petroleum engineering or related
20 subjects;

21 7. ~~Sale~~ Sales of tangible personal property or services to or
22 by churches, except sales made in the course of business for profit
23 or savings, competing with other persons engaged in the same or a
24 similar business or ~~sale~~ sales of tangible personal property or

1 services by an organization exempt from federal income tax pursuant
2 to Section 501(c)(3) of the Internal Revenue Code of 1986, as
3 amended, made on behalf of or at the request of a church or churches
4 if the sale of such property is conducted not more than once each
5 calendar year for a period not to exceed three (3) days by the
6 organization and proceeds from the sale of such property are used by
7 the church or churches or by the organization for charitable
8 purposes;

9 8. The amount of proceeds received from the ~~sale~~ sales of
10 admission tickets which is separately stated on the ticket of
11 admission for the repayment of money borrowed by any accredited
12 state-supported college or university or any public trust of which a
13 county in this state is the beneficiary, for the purpose of
14 constructing or enlarging any facility to be used for the staging of
15 an athletic event, a theatrical production, or any other form of
16 entertainment, edification or cultural cultivation to which entry is
17 gained with a paid admission ticket. Such facilities include, but
18 are not limited to, athletic fields, athletic stadiums, field
19 houses, amphitheaters and theaters. To be eligible for this sales
20 tax exemption, the amount separately stated on the admission ticket
21 shall be a surcharge which is imposed, collected and used for the
22 sole purpose of servicing or aiding in the servicing of debt
23 incurred by the college or university to effect the capital
24 improvements hereinbefore described;

1 9. Sales of tangible personal property or services to the
2 council organizations or similar state supervisory organizations of
3 the Boy Scouts of America, Girl Scouts of the U.S.A. and Camp Fire
4 USA;

5 10. ~~sale~~ Sales of tangible personal property or services to any
6 county, municipality, rural water district, public school district,
7 city-county library system, the institutions of The Oklahoma State
8 System of Higher Education, the Grand River Dam Authority, the
9 Northeast Oklahoma Public Facilities Authority, the Oklahoma
10 Municipal Power Authority, City of Tulsa-Rogers County Port
11 Authority, Muskogee City-County Port Authority, the Oklahoma
12 Department of Veterans Affairs, the Broken Bow Economic Development
13 Authority, Ardmore Development Authority, Durant Industrial
14 Authority, Oklahoma Ordnance Works Authority, Central Oklahoma
15 Master Conservancy District, Arbuckle Master Conservancy District,
16 Fort Cobb Reservoir Master Conservancy District, Foss Reservoir
17 Master Conservancy District, Mountain Park Master Conservancy
18 District, Waurika Lake Master Conservancy District and the Office of
19 Management and Enterprise Services only when carrying out a public
20 construction contract on behalf of the Oklahoma Department of
21 Veterans Affairs, and effective July 1, 2022, the University
22 Hospitals Trust, or to any person with whom any of the above-named
23 subdivisions or agencies of this state has duly entered into a
24 public contract pursuant to law, necessary for carrying out such

1 public contract or to any subcontractor to such a public contract.

2 Any person making purchases on behalf of such subdivision or agency
3 of this state shall certify, in writing, on the copy of the invoice
4 or sales ticket to be retained by the vendor that the purchases are
5 made for and on behalf of such subdivision or agency of this state
6 and set out the name of such public subdivision or agency. Any
7 person who wrongfully or erroneously certifies that purchases are
8 for any of the above-named subdivisions or agencies of this state or
9 who otherwise violates this section shall be guilty of a misdemeanor
10 and upon conviction thereof shall be fined an amount equal to double
11 the amount of sales tax involved or incarcerated for not more than
12 sixty (60) days or both;

13 11. Sales of tangible personal property or services to private
14 institutions of higher education and private elementary and
15 secondary institutions of education accredited by the State
16 Department of Education or registered by the State Board of
17 Education for purposes of participating in federal programs or
18 accredited as defined by the Oklahoma State Regents for Higher
19 Education which are exempt from taxation pursuant to the provisions
20 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) including
21 materials, supplies and equipment used in the construction and
22 improvement of buildings and other structures owned by the
23 institutions and operated for educational purposes.

1 Any person, firm, agency or entity making purchases on behalf of
2 any institution, agency or subdivision in this state, shall certify
3 in writing, on the copy of the invoice or sales ticket the nature of
4 the purchases, and violation of this paragraph shall be a
5 misdemeanor as set forth in paragraph 10 of this section;

6 12. Tuition and educational fees paid to private institutions
7 of higher education and private elementary and secondary
8 institutions of education accredited by the State Department of
9 Education or registered by the State Board of Education for purposes
10 of participating in federal programs or accredited as defined by the
11 Oklahoma State Regents for Higher Education which are exempt from
12 taxation pursuant to the provisions of the Internal Revenue Code, 26
13 U.S.C., Section 501(c) (3);

14 13. a. Sales of tangible personal property made by:

- 15 (1) a public school,
- 16 (2) a private school offering instruction for grade
17 levels kindergarten through twelfth grade,
- 18 (3) a public school district,
- 19 (4) a public or private school board,
- 20 (5) a public or private school student group or
21 organization,
- 22 (6) a parent-teacher association or organization
23 other than as specified in subparagraph b of this
24 paragraph, or

1 (7) public or private school personnel for purposes
2 of raising funds for the benefit of a public or
3 private school, public school district, public or
4 private school board or public or private school
5 student group or organization, or

6 b. Sales of tangible personal property made by or to
7 nonprofit parent-teacher associations or organizations
8 exempt from taxation pursuant to the provisions of the
9 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
10 nonprofit local public or private school foundations
11 which solicit money or property in the name of any
12 public or private school or public school district.

13 The exemption provided by this paragraph for sales made by a
14 public or private school shall be limited to those public or private
15 schools accredited by the State Department of Education or
16 registered by the State Board of Education for purposes of
17 participating in federal programs. ~~sale~~ Sales of tangible personal
18 property in this paragraph shall include ~~sale~~ sales of admission
19 tickets and concessions at athletic events;

20 14. Sales of tangible personal property by:

- 21 a. local 4-H clubs,
22 b. county, regional or state 4-H councils,
23 c. county, regional or state 4-H committees,
24 d. 4-H leader associations,

1 e. county, regional or state 4-H foundations, and

2 f. authorized 4-H camps and training centers.

3 The exemption provided by this paragraph shall be limited to
4 sales for the purpose of raising funds for the benefit of such
5 organizations. ~~Sale~~ Sales of tangible personal property exempted by
6 this paragraph shall include ~~sale~~ sales of admission tickets;

7 15. The first Seventy-five Thousand Dollars (\$75,000.00) each
8 year from ~~sale~~ sales of tickets and concessions at athletic events
9 by each organization exempt from taxation pursuant to the provisions
10 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(4);

11 16. Sales of tangible personal property or services to any
12 person with whom the Oklahoma Tourism and Recreation Department has
13 entered into a public contract and which is necessary for carrying
14 out such contract to assist the Department in the development and
15 production of advertising, promotion, publicity and public relations
16 programs;

17 17. Sales of tangible personal property or services to fire
18 departments organized pursuant to Section 592 of Title 18 of the
19 Oklahoma Statutes which items are to be used for the purposes of the
20 fire department. Any person making purchases on behalf of any such
21 fire department shall certify, in writing, on the copy of the
22 invoice or sales ticket to be retained by the vendor that the
23 purchases are made for and on behalf of such fire department and set
24 out the name of such fire department. Any person who wrongfully or

1 erroneously certifies that the purchases are for any such fire
2 department or who otherwise violates the provisions of this section
3 shall be deemed guilty of a misdemeanor and upon conviction thereof,
4 shall be fined an amount equal to double the amount of sales tax
5 involved or incarcerated for not more than sixty (60) days, or both;

6 18. Complimentary or free tickets for admission to places of
7 amusement, sports, entertainment, exhibition, display or other
8 recreational events or activities which are issued through a box
9 office or other entity which is operated by a state institution of
10 higher education with institutional employees or by a municipality
11 with municipal employees;

12 19. The first Fifteen Thousand Dollars (\$15,000.00) each year
13 from sales of tangible personal property by fire departments
14 organized pursuant to Titles 11, 18, or 19 of the Oklahoma Statutes
15 for the purposes of raising funds for the benefit of the fire
16 department. Fire departments selling tangible personal property for
17 the purposes of raising funds shall be limited to no more than six
18 (6) days each year to raise such funds in order to receive the
19 exemption granted by this paragraph;

20 20. Sales of tangible personal property or services to any Boys
21 & Girls Clubs of America affiliate in this state which is not
22 affiliated with the Salvation Army and which is exempt from taxation
23 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,
24 Section 501(c) (3);

1 21. Sales of tangible personal property or services to any
2 organization, which takes court-adjudicated juveniles for purposes
3 of rehabilitation, and which is exempt from taxation pursuant to the
4 provisions of the Internal Revenue Code, 26 U.S.C., Section
5 501(c) (3), provided that at least fifty percent (50%) of the
6 juveniles served by such organization are court adjudicated and the
7 organization receives state funds in an amount less than ten percent
8 (10%) of the annual budget of the organization;

9 22. Sales of tangible personal property or services to:

10 a. any health center as defined in Section 254b of Title
11 42 of the United States Code,

12 b. any clinic receiving disbursements of state monies
13 from the Indigent Health Care Revolving Fund pursuant
14 to the provisions of Section 66 of Title 56 of the
15 Oklahoma Statutes,

16 c. any community-based health center which meets all of
17 the following criteria:

18 (1) provides primary care services at no cost to the
19 recipient, and

20 (2) is exempt from taxation pursuant to the
21 provisions of Section 501(c) (3) of the Internal
22 Revenue Code, 26 U.S.C., Section 501(c) (3), and

23 d. any community mental health center as defined in
24 Section 3-302 of Title 43A of the Oklahoma Statutes;

1 23. Dues or fees including free or complimentary dues or fees
2 which have a value equivalent to the charge that could have
3 otherwise been made, to YMCAs, YWCAs or municipally-owned recreation
4 centers for the use of facilities and programs;

5 24. The first Fifteen Thousand Dollars (\$15,000.00) each year
6 from sales of tangible personal property or services to or by a
7 cultural organization established to sponsor and promote
8 educational, charitable and cultural events for disadvantaged
9 children, and which organization is exempt from taxation pursuant to
10 the provisions of the Internal Revenue Code, 26 U.S.C., Section
11 501(c) (3);

12 25. Sales of tangible personal property or services to museums
13 or other entities which have been accredited by the American
14 ~~Association~~ Alliance of Museums. Any person making purchases on
15 behalf of any such museum or other entity shall certify, in writing,
16 on the copy of the invoice or sales ticket to be retained by the
17 vendor that the purchases are made for and on behalf of such museum
18 or other entity and set out the name of such museum or other entity.
19 Any person who wrongfully or erroneously certifies that the
20 purchases are for any such museum or other entity or who otherwise
21 violates the provisions of this paragraph shall be deemed guilty of
22 a misdemeanor and, upon conviction thereof, shall be fined an amount
23 equal to double the amount of sales tax involved or incarcerated for
24

1 not more than sixty (60) days, or by both such fine and
2 incarceration;

3 26. Sales of tickets for admission by any museum accredited by
4 the American ~~Association~~ Alliance of Museums. In order to be
5 eligible for the exemption provided by this paragraph, an amount
6 equivalent to the amount of the tax which would otherwise be
7 required to be collected pursuant to the provisions of Section 1350
8 et seq. of this title shall be separately stated on the admission
9 ticket and shall be collected and used for the sole purpose of
10 servicing or aiding in the servicing of debt incurred by the museum
11 to effect the construction, enlarging or renovation of any facility
12 to be used for entertainment, edification or cultural cultivation to
13 which entry is gained with a paid admission ticket;

14 27. Sales of tangible personal property or services occurring
15 on or after June 1, 1995, to children's homes which are supported or
16 sponsored by one or more churches, members of which serve as
17 trustees of the home;

18 28. Sales of tangible personal property or services to the
19 organization known as the Disabled American Veterans, Department of
20 Oklahoma, ~~Inc.~~, and subordinate chapters thereof;

21 29. Sales of tangible personal property or services to youth
22 camps which are supported or sponsored by one or more churches,
23 members of which serve as trustees of the organization;

1 30. a. Until July 1, 2022, transfer of tangible personal
2 property made pursuant to Section 3226 of Title 63 of
3 the Oklahoma Statutes by the University Hospitals
4 Trust, and

5 b. Effective July 1, 2022, transfer of tangible personal
6 property or services to or by:

7 (1) the University Hospitals Trust created pursuant
8 to Section 3224 of Title 63 of the Oklahoma
9 Statutes, or

10 (2) nonprofit entities which are exempt from taxation
11 pursuant to the provisions of the Internal
12 Revenue Code of the United States, 26 U.S.C.,
13 Section 501(c)(3), which have entered into a
14 joint operating agreement with the University
15 Hospitals Trust;

16 31. Sales of tangible personal property or services to a
17 municipality, county or school district pursuant to a lease or
18 lease-purchase agreement executed between the vendor and a
19 municipality, county or school district. A copy of the lease or
20 lease-purchase agreement shall be retained by the vendor;

21 32. Sales of tangible personal property or services to any
22 spaceport user, as defined in the Oklahoma Space Industry
23 Development Act;

1 33. The sale, use, storage, consumption or distribution in this
2 state, whether by the importer, exporter or another person, of any
3 satellite or any associated launch vehicle including components of,
4 and parts and motors for, any such satellite or launch vehicle,
5 imported or caused to be imported into this state for the purpose of
6 export by means of launching into space. This exemption provided by
7 this paragraph shall not be affected by:

- 8 a. the destruction in whole or in part of the satellite
- 9 or launch vehicle,
- 10 b. the failure of a launch to occur or be successful, or
- 11 c. the absence of any transfer or title to, or possession
- 12 of, the satellite or launch vehicle after launch;

13 34. The sale, lease, use, storage, consumption or distribution
14 in this state of any space facility, space propulsion system or
15 space vehicle, satellite or station of any kind possessing space
16 flight capacity including components thereof;

17 35. The sale, lease, use, storage, consumption or distribution
18 in this state of tangible personal property, placed on or used
19 aboard any space facility, space propulsion system or space vehicle,
20 satellite, or station possessing space flight capacity, which is
21 launched into space, irrespective of whether such tangible property
22 is returned to this state for subsequent use, storage, or
23 consumption in any manner;

1 36. The sale, lease, use, storage, consumption or distribution
2 in this state of tangible personal property meeting the definition
3 of "section 38 property" as defined in Sections 48(a)(1)(A) and
4 (B)(i) of the Internal Revenue Code of 1986, that is an integral
5 part of and used primarily in support of space flight; however,
6 section 38 property used in support of space flight shall not
7 include general office equipment, any boat, mobile home, motor
8 vehicle or other vehicle of a class or type required to be
9 registered, licensed, titled or documented in this state or by the
10 United States government, or any other property not specifically
11 suited to supporting space activity. The term "in support of space
12 flight", for purposes of this paragraph, means the altering,
13 monitoring, controlling, regulating, adjusting, servicing or
14 repairing of any space facility, space propulsion systems or space
15 vehicle, satellite or station possessing space flight capacity
16 including the components thereof;

17 37. The purchase or lease of machinery and equipment for use at
18 a fixed location in this state, which is used exclusively in the
19 manufacturing, processing, compounding or producing of any space
20 facility, space propulsion system or space vehicle, satellite or
21 station of any kind possessing space flight capacity. Provided, the
22 exemption provided for in this paragraph shall not be allowed unless
23 the purchaser or lessee signs an affidavit stating that the item or
24 items to be exempted are for the exclusive use designated herein.

1 Any person furnishing a false affidavit to the vendor for the
2 purpose of evading payment of any tax imposed by Section 1354 of
3 this title shall be subject to the penalties provided by law. As
4 used in this paragraph, "machinery and equipment" means "section 38
5 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the
6 Internal Revenue Code of 1986, which is used as an integral part of
7 the manufacturing, processing, compounding or producing of items of
8 tangible personal property. Such term includes parts and
9 accessories only to the extent that the exemption thereof is
10 consistent with the provisions of this paragraph;

11 38. The amount of a surcharge or any other amount which is
12 separately stated on an admission ticket which is imposed, collected
13 and used for the sole purpose of constructing, remodeling or
14 enlarging facilities of a public trust having a municipality or
15 county as its sole beneficiary;

16 39. Sales of tangible personal property or services which are
17 directly used in or for the benefit of a state park in this state,
18 which are made to an organization which is exempt from taxation
19 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,
20 Section 501(c)(3) and which is organized primarily for the purpose
21 of supporting one or more state parks located in this state;

22 40. The sale, lease or use of parking privileges by an
23 institution of The Oklahoma State System of Higher Education;

1 41. Sales of tangible personal property or services for use on
2 campus or school construction projects for the benefit of
3 institutions of The Oklahoma State System of Higher Education,
4 private institutions of higher education accredited by the Oklahoma
5 State Regents for Higher Education or any public school or school
6 district when such projects are financed by or through the use of
7 nonprofit entities which are exempt from taxation pursuant to the
8 provisions of the Internal Revenue Code, 26 U.S.C., Section
9 501(c) (3);

10 42. Sales of tangible personal property or services by an
11 organization which is exempt from taxation pursuant to the
12 provisions of the Internal Revenue Code, 26 U.S.C., Section
13 501(c) (3), in the course of conducting a national championship
14 sports event, but only if all or a portion of the payment in
15 exchange therefor would qualify as the receipt of a qualified
16 sponsorship payment described in Internal Revenue Code, 26 U.S.C.,
17 Section 513(i). Sales exempted pursuant to this paragraph shall be
18 exempt from all Oklahoma sales, use, excise and gross receipts
19 taxes;

20 43. Sales of tangible personal property or services to or by an
21 organization which:

- 22 a. is exempt from taxation pursuant to the provisions of
23 the Internal Revenue Code, 26 U.S.C., Section
24 501(c) (3),

- 1 b. is affiliated with a comprehensive university within
2 The Oklahoma State System of Higher Education, and
3 c. has been organized primarily for the purpose of
4 providing education and teacher training and
5 conducting events relating to robotics;

6 44. The first Fifteen Thousand Dollars (\$15,000.00) each year
7 from sales of tangible personal property to or by youth athletic
8 teams which are part of an athletic organization exempt from
9 taxation pursuant to the provisions of the Internal Revenue Code, 26
10 U.S.C., Section 501(c)(4), for the purposes of raising funds for the
11 benefit of the team;

12 45. Sales of tickets for admission to a collegiate athletic
13 event that is held in a facility owned or operated by a municipality
14 or a public trust of which the municipality is the sole beneficiary
15 and that actually determines or is part of a tournament or
16 tournament process for determining a conference tournament
17 championship, a conference championship, or a national championship;

18 46. Sales of tangible personal property or services to or by an
19 organization which is exempt from taxation pursuant to the
20 provisions of the Internal Revenue Code, 26 U.S.C., Section
21 501(c)(3) and is operating the Oklahoma City National Memorial and
22 Museum, an affiliate of the National Park System;

23 47. Sales of tangible personal property or services to
24 organizations which are exempt from federal taxation pursuant to the
25

1 provisions of Section 501(c)(3) of the Internal Revenue Code, 26
2 U.S.C., Section 501(c)(3), the memberships of which are limited to
3 honorably discharged veterans, and which furnish financial support
4 to area veterans' organizations to be used for the purpose of
5 constructing a memorial or museum;

6 48. Sales of tangible personal property or services on or after
7 January 1, 2003, to an organization which is exempt from taxation
8 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,
9 Section 501(c)(3) that is expending monies received from a private
10 foundation grant in conjunction with expenditures of local sales tax
11 revenue to construct a local public library;

12 49. Sales of tangible personal property or services to a state
13 that borders this state or any political subdivision of that state,
14 but only to the extent that the other state or political subdivision
15 exempts or does not impose a tax on similar sales of items to this
16 state or a political subdivision of this state;

17 50. Effective July 1, 2005, sales of tangible personal property
18 or services to the Career Technology Student Organizations under the
19 direction and supervision of the Oklahoma Department of Career and
20 Technology Education;

21 51. Sales of tangible personal property to a public trust
22 having either a single city, town or county or multiple cities,
23 towns or counties or combination thereof as beneficiary or
24 beneficiaries or a nonprofit organization which is exempt from
25

1 taxation pursuant to the provisions of the Internal Revenue Code, 26
2 U.S.C., Section 501(c)(3) for the purpose of constructing
3 improvements to or expanding a hospital or nursing home owned and
4 operated by any such public trust or nonprofit entity prior to July
5 1, 2008, in counties with a population of less than one hundred
6 thousand (100,000) persons, according to the most recent Federal
7 Decennial Census. As used in this paragraph, "constructing
8 improvements to or expanding" shall not mean any expense for routine
9 maintenance or general repairs and shall require a project cost of
10 at least One Hundred Thousand Dollars (\$100,000.00). For purposes
11 of this paragraph, sales made to a contractor or subcontractor that
12 enters into a contractual relationship with a public trust or
13 nonprofit entity as described by this paragraph shall be considered
14 sales made to the public trust or nonprofit entity. The exemption
15 authorized by this paragraph shall be administered in the form of a
16 refund from the sales tax revenues apportioned pursuant to Section
17 1353 of this title and the vendor shall be required to collect the
18 sales tax otherwise applicable to the transaction. The purchaser
19 may apply for a refund of the sales tax paid in the manner
20 prescribed by this paragraph. Within thirty (30) days after the end
21 of each fiscal year, any purchaser that is entitled to make
22 application for a refund based upon the exempt treatment authorized
23 by this paragraph may file an application for refund of the sales
24 taxes paid during such preceding fiscal year. The Oklahoma Tax

1 Commission shall prescribe a form for purposes of making the
2 application for refund. The Tax Commission shall determine whether
3 or not the total amount of sales tax exemptions claimed by all
4 purchasers is equal to or less than Six Hundred Fifty Thousand
5 Dollars (\$650,000.00). If such claims are less than or equal to
6 that amount, the Tax Commission shall make refunds to the purchasers
7 in the full amount of the documented and verified sales tax amounts.
8 If such claims by all purchasers are in excess of Six Hundred Fifty
9 Thousand Dollars (\$650,000.00), the Tax Commission shall determine
10 the amount of each purchaser's claim, the total amount of all claims
11 by all purchasers, and the percentage each purchaser's claim amount
12 bears to the total. The resulting percentage determined for each
13 purchaser shall be multiplied by Six Hundred Fifty Thousand Dollars
14 (\$650,000.00) to determine the amount of refundable sales tax to be
15 paid to each purchaser. The pro rata refund amount shall be the
16 only method to recover sales taxes paid during the preceding fiscal
17 year and no balance of any sales taxes paid on a pro rata basis
18 shall be the subject of any subsequent refund claim pursuant to this
19 paragraph;

20 52. Effective July 1, 2006, sales of tangible personal property
21 or services to any organization which assists, trains, educates, and
22 provides housing for physically and mentally handicapped persons and
23 which is exempt from taxation pursuant to the provisions of the
24 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and that

1 receives at least eighty-five percent (85%) of its annual budget
2 from state or federal funds. In order to receive the benefit of the
3 exemption authorized by this paragraph, the taxpayer shall be
4 required to make payment of the applicable sales tax at the time of
5 sale to the vendor in the manner otherwise required by law.

6 Notwithstanding any other provision of the ~~Oklahoma~~ Uniform Tax
7 Procedure Code to the contrary, the taxpayer shall be authorized to
8 file a claim for refund of sales taxes paid that qualify for the
9 exemption authorized by this paragraph for a period of one (1) year
10 after the date of the sale transaction. The taxpayer shall be
11 required to provide documentation as may be prescribed by the
12 Oklahoma Tax Commission in support of the refund claim. The total
13 amount of sales tax qualifying for exempt treatment pursuant to this
14 paragraph shall not exceed One Hundred Seventy-five Thousand Dollars
15 (\$175,000.00) each fiscal year. Claims for refund shall be
16 processed in the order in which such claims are received by the
17 Oklahoma Tax Commission. If a claim otherwise timely filed exceeds
18 the total amount of refunds payable for a fiscal year, such claim
19 shall be barred;

20 53. The first Two Thousand Dollars (\$2,000.00) each year of
21 sales of tangible personal property or services to, by, or for the
22 benefit of a qualified neighborhood watch organization that is
23 endorsed or supported by or working directly with a law enforcement
24 agency with jurisdiction in the area in which the neighborhood watch

1 organization is located. As used in this paragraph, "qualified
2 neighborhood watch organization" means an organization that is a
3 not-for-profit corporation under the laws of ~~the State of Oklahoma~~
4 this state that was created to help prevent criminal activity in an
5 area through community involvement and interaction with local law
6 enforcement and which is one of the first two thousand organizations
7 which makes application to the Oklahoma Tax Commission for the
8 exemption after March 29, 2006;

9 54. Sales of tangible personal property to a nonprofit
10 organization, exempt from taxation pursuant to the provisions of the
11 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), organized
12 primarily for the purpose of providing services to homeless persons
13 during the day and located in a metropolitan area with a population
14 in excess of five hundred thousand (500,000) persons according to
15 the latest Federal Decennial Census. The exemption authorized by
16 this paragraph shall be applicable to sales of tangible personal
17 property to a qualified entity occurring on or after January 1,
18 2005;

19 55. Sales of tangible personal property or services to or by an
20 organization which is exempt from taxation pursuant to the
21 provisions of the Internal Revenue Code, 26 U.S.C., Section
22 501(c)(3) for events the principal purpose of which is to provide
23 funding for the preservation of wetlands and habitat for wild ducks;
24

1 56. Sales of tangible personal property or services to or by an
2 organization which is exempt from taxation pursuant to the
3 provisions of the Internal Revenue Code, 26 U.S.C., Section
4 501(c) (3) for events the principal purpose of which is to provide
5 funding for the preservation and conservation of wild turkeys;

6 57. Sales of tangible personal property or services to an
7 organization which:

8 a. is exempt from taxation pursuant to the provisions of
9 the Internal Revenue Code, 26 U.S.C., Section
10 501(c) (3), and

11 b. is part of a network of community-based, autonomous
12 member organizations that meets the following
13 criteria:

14 (1) serves people with workplace disadvantages and
15 disabilities by providing job training and
16 employment services, as well as job placement
17 opportunities and post-employment support,

18 (2) has locations in the United States and at least
19 twenty other countries,

20 (3) collects donated clothing and household goods to
21 sell in retail stores and provides contract labor
22 services to business and government, and

23 (4) provides documentation to the Oklahoma Tax
24 Commission that over seventy-five percent (75%)

1 of its revenues are channeled into employment,
2 job training and placement programs and other
3 critical community services;

4 58. Sales of tickets made on or after September 21, 2005, and
5 complimentary or free tickets for admission issued on or after
6 September 21, 2005, which have a value equivalent to the charge that
7 would have otherwise been made, for admission to a professional
8 athletic event in which a team in the National Basketball
9 Association is a participant, which is held in a facility owned or
10 operated by a municipality, a county or a public trust of which a
11 municipality or a county is the sole beneficiary, and sales of
12 tickets made on or after July 1, 2007, and complimentary or free
13 tickets for admission issued on or after July 1, 2007, which have a
14 value equivalent to the charge that would have otherwise been made,
15 for admission to a professional athletic event in which a team in
16 the National Hockey League is a participant, which is held in a
17 facility owned or operated by a municipality, a county or a public
18 trust of which a municipality or a county is the sole beneficiary;

19 59. Sales of tickets for admission and complimentary or free
20 tickets for admission which have a value equivalent to the charge
21 that would have otherwise been made to a professional sporting event
22 involving ice hockey, baseball, basketball, football or arena
23 football, or soccer. As used in this paragraph, "professional
24 sporting event" means an organized athletic competition between

1 teams that are members of an organized league or association with
2 centralized management, other than a national league or national
3 association, that imposes requirements for participation in the
4 league upon the teams, the individual athletes or both, and which
5 uses a salary structure to compensate the athletes;

6 60. Sales of tickets for admission to an annual event sponsored
7 by an educational and charitable organization of women which is
8 exempt from taxation pursuant to the provisions of the Internal
9 Revenue Code, 26 U.S.C., Section 501(c)(3) and has as its mission
10 promoting volunteerism, developing the potential of women and
11 improving the community through the effective action and leadership
12 of trained volunteers;

13 61. Sales of tangible personal property or services to an
14 organization, which is exempt from taxation pursuant to the
15 provisions of the Internal Revenue Code, 26 U.S.C., Section
16 501(c)(3), and which is itself a member of an organization which is
17 exempt from taxation pursuant to the provisions of the Internal
18 Revenue Code, 26 U.S.C., Section 501(c)(3), if the membership
19 organization is primarily engaged in advancing the purposes of its
20 member organizations through fundraising, public awareness or other
21 efforts for the benefit of its member organizations, and if the
22 member organization is primarily engaged either in providing
23 educational services and programs concerning health-related diseases
24 and conditions to individuals suffering from such health-related

1 diseases and conditions or their caregivers and family members or
2 support to such individuals, or in health-related research as to
3 such diseases and conditions, or both. In order to qualify for the
4 exemption authorized by this paragraph, the member nonprofit
5 organization shall be required to provide proof to the Oklahoma Tax
6 Commission of its membership status in the membership organization;

7 62. Sales of tangible personal property or services to or by an
8 organization which is part of a national volunteer women's service
9 organization dedicated to promoting patriotism, preserving American
10 history and securing better education for children and which has at
11 least 168,000 members in 3,000 chapters across the United States;

12 63. Sales of tangible personal property or services to or by a
13 YWCA or YMCA organization which is part of a national nonprofit
14 community service organization working to meet the health and social
15 service needs of its members across the United States;

16 64. Sales of tangible personal property or services to or by a
17 veteran's organization which is exempt from taxation pursuant to the
18 provisions of the Internal Revenue Code, 26 U.S.C., Section
19 501(c)(19) and which is known as the Veterans of Foreign Wars ~~of the~~
20 ~~United States, Oklahoma Chapters~~ Department of Oklahoma;

21 65. Sales of boxes of food by a church or by an organization,
22 which is exempt from taxation pursuant to the provisions of the
23 Internal Revenue Code, 26 U.S.C., Section 501(c)(3). To qualify
24 under the provisions of this paragraph, the organization must be

1 organized for the primary purpose of feeding needy individuals or to
2 encourage volunteer service by requiring such service in order to
3 purchase food. These boxes shall only contain edible staple food
4 items;

5 66. Sales of tangible personal property or services to any
6 person with whom a church has duly entered into a construction
7 contract, necessary for carrying out such contract or to any
8 subcontractor to such a construction contract;

9 67. Sales of tangible personal property or services used
10 exclusively for charitable or educational purposes, to or by an
11 organization which:

- 12 a. is exempt from taxation pursuant to the provisions of
13 the Internal Revenue Code, 26 U.S.C., Section
14 501(c)(3),
- 15 b. has filed a Not-for-Profit Certificate of
16 Incorporation in this state, and
- 17 c. is organized for the purpose of:
 - 18 (1) providing training and education to
19 developmentally disabled individuals,
 - 20 (2) educating the community about the rights,
21 abilities and strengths of developmentally
22 disabled individuals, and

1 (3) promoting unity among developmentally disabled
2 individuals in their community and geographic
3 area;

4 68. Sales of tangible personal property or services to any
5 organization which is a shelter for abused, neglected, or abandoned
6 children and which is exempt from taxation pursuant to the
7 provisions of the Internal Revenue Code, 26 U.S.C., Section
8 501(c)(3); provided, until July 1, 2008, such exemption shall apply
9 only to eligible shelters for children from birth to age twelve (12)
10 and after July 1, 2008, such exemption shall apply to eligible
11 shelters for children from birth to age eighteen (18);

12 69. Sales of tangible personal property or services to a child
13 care center which is licensed pursuant to the Oklahoma Child Care
14 Facilities Licensing Act and which:

- 15 a. possesses a 3-star rating from the Department of Human
16 Services Reaching for the Stars Program or a national
17 accreditation, and
18 b. allows on-site universal prekindergarten education to
19 be provided to four-year-old children through a
20 contractual agreement with any public school or school
21 district.

22 For the purposes of this paragraph, sales made to any person,
23 firm, agency or entity that has entered previously into a
24 contractual relationship with a child care center for construction

1 and improvement of buildings and other structures owned by the child
2 care center and operated for educational purposes shall be
3 considered sales made to a child care center. Any such person,
4 firm, agency or entity making purchases on behalf of a child care
5 center shall certify, in writing, on the copy of the invoice or
6 sales ticket the nature of the purchase. Any such person, or person
7 acting on behalf of a firm, agency or entity making purchases on
8 behalf of a child care center in violation of this paragraph shall
9 be guilty of a misdemeanor and upon conviction thereof shall be
10 fined an amount equal to double the amount of sales tax involved or
11 incarcerated for not more than sixty (60) days or both;

12 70. a. Sales of tangible personal property to a service
13 organization of mothers who have children who are
14 serving or who have served in the military, which
15 service organization is exempt from taxation pursuant
16 to the provisions of the Internal Revenue Code, 26
17 U.S.C., Section 501(c)(19) and which is known as the
18 Blue Star Mothers of America, Inc. The exemption
19 provided by this paragraph shall only apply to the
20 purchase of tangible personal property actually sent
21 to United States military personnel overseas who are
22 serving in a combat zone and not to any other tangible
23 personal property purchased by the organization.
24 Provided, this exemption shall not apply to any sales

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

3 b. The exemption authorized by this paragraph shall be
4 administered in the form of a refund from the sales
5 tax revenues apportioned pursuant to Section 1353 of
6 this title, and the vendor shall be required to
7 collect the sales tax otherwise applicable to the
8 transaction. The purchaser may apply for a refund of
9 the state sales tax paid in the manner prescribed by
10 this paragraph. Within sixty (60) days after the end
11 of each calendar quarter, any purchaser that is
12 entitled to make application for a refund based upon
13 the exempt treatment authorized by this paragraph may
14 file an application for refund of the state sales
15 taxes paid during such preceding calendar quarter.
16 The Tax Commission shall prescribe a form for purposes
17 of making the application for refund.

18 c. A purchaser who applies for a refund pursuant to this
19 paragraph shall certify that the items were actually
20 sent to military personnel overseas in a combat zone.
21 Any purchaser that applies for a refund for the
22 purchase of items that are not authorized for
23 exemption under this paragraph shall be subject to a
24

1 penalty in the amount of Five Hundred Dollars
2 (\$500.00);

3 71. Sales of food and snack items to or by an organization
4 which is exempt from taxation pursuant to the provisions of the
5 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), whose primary
6 and principal purpose is providing funding for scholarships in the
7 medical field;

8 72. Sales of tangible personal property or services for use
9 solely on construction projects for organizations which are exempt
10 from taxation pursuant to the provisions of the Internal Revenue
11 Code, 26 U.S.C., Section 501(c)(3) and whose purpose is providing
12 end-of-life care and access to hospice services to low-income
13 individuals who live in a facility owned by the organization. The
14 exemption provided by this paragraph applies to sales to the
15 organization as well as to sales to any person with whom the
16 organization has duly entered into a construction contract,
17 necessary for carrying out such contract or to any subcontractor to
18 such a construction contract. Any person making purchases on behalf
19 of such organization shall certify, in writing, on the copy of the
20 invoice or sales ticket to be retained by the vendor that the
21 purchases are made for and on behalf of such organization and set
22 out the name of such organization. Any person who wrongfully or
23 erroneously certifies that purchases are for any of the above-named
24 organizations or who otherwise violates this section shall be guilty

1 of a misdemeanor and upon conviction thereof shall be fined an
2 amount equal to double the amount of sales tax involved or
3 incarcerated for not more than sixty (60) days or both;

4 73. Sales of tickets for admission to events held by
5 organizations exempt from taxation pursuant to the provisions of the
6 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) that are
7 organized for the purpose of supporting general hospitals licensed
8 by the State Department of Health;

9 74. Sales of tangible personal property or services:

10 a. to a foundation which is exempt from taxation pursuant
11 to the provisions of the Internal Revenue Code, 26
12 U.S.C., Section 501(c)(3) and which raises tax-
13 deductible contributions in support of a wide range of
14 firearms-related public interest activities of the
15 National Rifle Association of America and other
16 organizations that defend and foster Second Amendment
17 rights, and

18 b. to or by a grassroots fundraising program for sales
19 related to events to raise funds for a foundation
20 meeting the qualifications of subparagraph a of this
21 paragraph;

22 75. Sales by an organization or entity which is exempt from
23 taxation pursuant to the provisions of the Internal Revenue Code, 26
24 U.S.C., Section 501(c)(3) which are related to a fundraising event

1 sponsored by the organization or entity when the event does not
2 exceed any five (5) consecutive days and when the sales are not in
3 the organization's or the entity's regular course of business.

4 Provided, the exemption provided in this paragraph shall be limited
5 to tickets sold for admittance to the fundraising event and items
6 which were donated to the organization or entity for sale at the
7 event;

8 76. Effective November 1, 2017, sales of tangible personal
9 property or services to an organization which is exempt from
10 taxation pursuant to the provisions of the Internal Revenue Code, 26
11 U.S.C., Section 501(c)(3) and operates as a collaborative model
12 which connects community agencies in one location to serve
13 individuals and families affected by violence and where victims have
14 access to services and advocacy at no cost to the victim;

15 77. Effective July 1, 2018, sales of tangible personal property
16 or services to or by an association which is exempt from taxation
17 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,
18 Section 501(c)(19) and which is known as the National Guard
19 Association of Oklahoma;

20 78. Effective July 1, 2018, sales of tangible personal property
21 or services to or by an association which is exempt from taxation
22 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,
23 Section 501(c)(4) and which is known as the Marine Corps League
24 Department of Oklahoma;

1 79. Sales of tangible personal property or services to the
2 American Legion, whether the purchase is made by the entity
3 chartered by the United States Congress or is an entity organized
4 under the laws of this or another state pursuant to the authority of
5 the national American Legion organization;

6 80. Sales of tangible personal property or services to or by an
7 organization which is:

- 8 a. exempt from taxation pursuant to the provisions of the
9 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
- 10 b. verified with a letter from the ~~MIT~~ Fab Foundation as
11 an official member of the Fab Lab Network in
12 compliance with the Fab Charter, and
- 13 c. able to provide documentation that its primary and
14 principal purpose is to provide community access to
15 advanced 21st century manufacturing and digital
16 fabrication tools for science, technology,
17 engineering, art and math (STEAM) learning skills,
18 developing inventions, creating and sustaining
19 businesses and producing personalized products;

20 81. Effective November 1, 2021, sales of tangible personal
21 property or services used solely for construction and remodeling
22 projects to an organization which is exempt from taxation pursuant
23 to the provisions of the Internal Revenue Code, 26 U.S.C., Section
24 501(c)(3), and which meets the following requirements:

- 1 a. its primary purpose is to construct or remodel and
2 sell affordable housing and provide homeownership
3 education to residents of Oklahoma that have an income
4 that is below one hundred percent (100%) of the Family
5 Median Income guidelines as defined by the U.S.
6 Department of Housing and Urban Development,
- 7 b. it conducts its activities in a manner that serves
8 public or charitable purposes, rather than commercial
9 purposes,
- 10 c. it receives funding and revenue and charges fees in a
11 manner that does not incentivize it or its employees
12 to act other than in the best interests of its
13 clients, and
- 14 d. it compensates its employees in a manner that does not
15 incentivize employees to act other than in the best
16 interests of its clients;

17 82. Effective November 1, 2021, sales of tangible personal
18 property or services to a nonprofit entity, organized pursuant to
19 Oklahoma law before January 1, 2022, exempt from federal income
20 taxation pursuant to Section 501(c) of the Internal Revenue Code of
21 1986, as amended, the principal functions of which are to provide
22 assistance to natural persons following a disaster, with program
23 emphasis on repair or restoration to single-family residential
24 dwellings or the construction of a replacement single-family

1 residential dwelling. As used in this paragraph, "disaster" means
2 damage to property with or without accompanying injury to persons
3 from heavy rain, high winds, tornadic winds, drought, wildfire,
4 snow, ice, geologic disturbances, explosions, chemical accidents or
5 spills and other events causing damage to property on a large scale.
6 For purposes of this paragraph, an entity that expended at least
7 seventy-five percent (75%) of its funds on the restoration to
8 single-family housing following a disaster including related general
9 and administrative expenses, shall be eligible for the exemption
10 authorized by this paragraph;

11 83. Effective November 1, 2021, through December 31, 2024,
12 sales of tangible personal property or services to a museum that:

- 13 a. operates as a part of an organization which is exempt
14 from taxation pursuant to the provisions of the
15 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
- 16 b. is not accredited by the American Alliance of Museums,
17 and
- 18 c. operates on an annual budget of less than One Million
19 Dollars (\$1,000,000.00);

20 84. Until July 1, 2022, sales of tangible personal property or
21 services for use in a clinical practice or medical facility operated
22 by an organization which is exempt from taxation pursuant to the
23 provisions of the Internal Revenue Code of the United States, 26
24 U.S.C., Section 501(c)(3), and which has entered into a joint

1 operating agreement with the University Hospitals Trust created
2 pursuant to Section 3224 of Title 63 of the Oklahoma Statutes. The
3 exemption provided by this paragraph shall be limited to the
4 purchase of tangible personal property and services for use in
5 clinical practices or medical facilities acquired or leased by the
6 organization from the University Hospitals Authority, University
7 Hospitals Trust, or the University of Oklahoma on or after June 1,
8 2021; and

9 85. Sales of tangible personal property or services to a
10 nonprofit entity, organized pursuant to Oklahoma law before January
11 1, 2019, exempt from federal income taxation pursuant to Section
12 501(c) of the Internal Revenue Code of 1986, as amended, the
13 principal functions of which are to provide assistance to natural
14 persons following a disaster, with program emphasis on repair or
15 restoration to single-family residential dwellings or the
16 construction of a replacement single-family residential dwelling.
17 For purposes of this paragraph, an entity operated exclusively for
18 charitable and educational purposes through the coordination of
19 volunteers for the disaster recovery of homes (as derived from Part
20 III, Statement of Program Services, of Internal Revenue Service Form
21 990) and offers its services free of charge to disaster survivors
22 statewide who are low income with no or limited means of recovery on
23 their own for the restoration to single-family housing following a
24 disaster including related general and administrative expenses,

1 shall be eligible for the exemption authorized by this paragraph.
2 The exemption provided by this paragraph shall only be applicable to
3 sales made on or after ~~the effective date of this act~~ July 1, 2022.
4 As used in this paragraph, "disaster" means damage to property with
5 or without accompanying injury to persons from heavy rain, high
6 winds, tornadic winds, drought, wildfire, snow, ice, geologic
7 disturbances, explosions, chemical accidents or spills and other
8 events causing damage to property on a large scale.

9 SECTION 2. This act shall become effective November 1, 2024.

10
11 59-2-2727 QD 12/15/2023 10:20:59 PM
12
13
14
15
16
17
18
19
20
21
22
23
24
25