

1 ENGROSSED SENATE
2 BILL NO. 356

By: Paxton of the Senate

3 and

4 Boles of the House

5
6 An Act relating to sales tax exemption; amending 68
7 O.S. 2011, Section 1360, which relates to exemptions
8 for corporations and partnerships; providing
9 exemption for specified transfers of tangible
10 personal property; and providing an effective date.

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

12 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1360, is
13 amended to read as follows:

14 Section 1360. Exemptions - Corporations - Partnerships.

15 There are hereby specifically exempted from the tax levied in
16 ~~this article~~ Section 1350 et seq. of this title:

17 1. The transfer of tangible personal property, as follows:

- 18 a. from one corporation to another corporation pursuant
19 to a reorganization. As used in this subparagraph the
20 term "reorganization" means a statutory merger or
21 consolidation or the acquisition by a corporation of
22 substantially all of the properties of another
23 corporation when the consideration is solely all or a
24

1 part of the voting stock of the acquiring corporation,
2 or of its parent or subsidiary corporation,

3 b. between wholly owned subsidiaries of a parent company
4 and between a parent company and its wholly owned
5 subsidiary,

6 c. in connection with the winding up, dissolution or
7 liquidation of a corporation only when there is a
8 distribution in kind to the shareholders of the
9 property of such corporation,

10 ~~e.~~

11 d. to a corporation for the purpose of organization of
12 such corporation where the former owners of the
13 property transferred are immediately after the
14 transfer in control of the corporation, and the value
15 of the stock or securities received by each is
16 substantially in proportion to the value of such
17 person's interest in the property transferred by all
18 the former owners,

19 ~~d.~~

20 e. to a partnership in the organization of such
21 partnership if the former owners of the property
22 transferred are, immediately after the transfer,
23 members of such partnership and the value of the
24 interest in the partnership, received by each, is

1 substantially in proportion to the value of such
2 person's interest in the property transferred by all
3 former owners,

4 ~~e.~~

5 f. from a partnership to the members thereof when made in
6 kind in the dissolution of such partnership,

7 ~~f.~~

8 g. to a limited liability company in the organization of
9 the limited liability company if the former owners of
10 the property transferred are, immediately after the
11 transfer, members of the limited liability company and
12 the value of the interest in the limited liability
13 company received by each is substantially in
14 proportion to the value of the interest in the
15 property transferred by all the former owners, and

16 ~~g.~~

17 h. from a limited liability company to the members
18 thereof when made in kind in the dissolution of the
19 limited liability company; and

20 2. Sale of an interest in tangible personal property to a
21 partner or other person who after such sale owns a joint interest in
22 such tangible personal property where the Oklahoma Sales or Use Tax
23 has previously been paid on such tangible personal property.

24 SECTION 2. This act shall become effective November 1, 2021.

1 Passed the Senate the 8th day of March, 2021.

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3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2021.

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8 _____
9 Presiding Officer of the House
10 of Representatives