

1 **SENATE FLOOR VERSION**

2 March 1, 2021

3 SENATE BILL NO. 356

By: Paxton of the Senate

4 and

5 Boles of the House

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

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

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

16 Section 1360. Exemptions - Corporations - Partnerships.

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

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

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

1 corporation when the consideration is solely all or a  
2 part of the voting stock of the acquiring corporation,  
3 or of its parent or subsidiary corporation,

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

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

11 ~~e.~~

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

20 ~~e.~~

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

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

5 ~~e.~~

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

8 ~~f.~~

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

17 ~~g.~~

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

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

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

2 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS

3 March 1, 2021 - DO PASS

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