

1 of the SIC Manual, latest revision, or a qualified purchaser which
2 is primarily engaged in research and development as defined under
3 Industrial Group Numbers 8731, 8732, 8733 and 8734 of the SIC
4 Manual, latest revision.

5 B. A qualified purchaser which is primarily engaged in computer
6 services and data processing as defined under Industrial Group
7 Number 7374 of the SIC Manual, latest revision, shall be required to
8 have a minimum of One Hundred Thousand Dollars (\$100,000.00) in
9 qualified purchases in order to be eligible to receive the exemption
10 provided for in this section.

11 C. In order to be eligible to receive the exemption provided
12 for in this section, a new or expanding business shall not include
13 the existing employee positions of any business enterprise that is
14 directly or beneficially owned by a corporation, trust, joint
15 venture, proprietorship, or partnership doing business in this state
16 as of January 1, 1992.

17 D. Eligibility to receive the exemption provided for in this
18 subsection pursuant to the requirement to derive fifty percent (50%)
19 of revenues from out-of-state buyers or consumers and pursuant to
20 the requirement that the business be primarily engaged in computer
21 services and data processing or in research and development shall be
22 established, subject to review by the Oklahoma Tax Commission, by
23 annually filing an affidavit with the Oklahoma Tax Commission
24 stating that the business so qualifies and such other information as

1 required by the Commission. For purposes of determining whether
2 annual gross revenues are derived from sales to out-of-state buyers
3 or consumers, all sales to the federal government shall be
4 considered to be sales to an out-of-state buyer or consumer.

5 SECTION 2. AMENDATORY 68 O.S. 2011, Section 54004, is
6 amended to read as follows:

7 Section 54004. A. In order to administer the exemption for
8 sales to a qualified computer services, data processing or research
9 and development facility as provided by ~~Section 7 of this act~~
10 Section 54003 of this title, there shall be made a sales tax refund
11 for state and local sales taxes paid by the account created by this
12 section to such qualified facility.

13 B. The Oklahoma Tax Commission shall transfer each month from
14 sales tax collected the amount which the Commission estimates to be
15 necessary to make the sales tax refund provided by this section to
16 an account designated as the Commission determines.

17 C. Any refund shall be paid from the account prescribed by this
18 section at the time the claim for refund is approved by the Oklahoma
19 Tax Commission. The amount of the refund shall not exceed the total
20 state and local sales taxes paid together with accrued interest upon
21 such total. The amount of interest paid to a qualified computer
22 services, data processing or research and development facility upon
23 the principal amount of any refund made to such qualified facility
24 for purposes of administering the exemption provided by ~~Section 7 of~~

1 ~~this act~~ Section 54003 of this title, shall be determined according
2 to the provisions of this subsection. For any month during which
3 the Oklahoma Tax Commission transfers a sum to the account
4 prescribed by subsection B of this section, the Commission shall
5 determine an interest rate by determining the rate of interest paid
6 for a three-month Treasury Bill of the United States government as
7 of the first working day of the month in which the transfer is made.
8 The interest rate so determined shall accrue upon the amount
9 transferred to the account. In each subsequent month, the
10 Commission shall determine the interest rate paid for a three-month
11 Treasury Bill of the United States government as of the first
12 working day of the month and such interest rate shall accrue upon
13 any amount transferred during the month and upon the amounts
14 previously transferred to the account together with interest
15 previously accrued upon such amounts.

16 D. For purposes of this section, state and local sales taxes
17 paid by a contractor or subcontractor for qualified purchases as
18 defined in ~~Section 6 of this act~~ Section 54002 of this title,
19 purchased by that contractor or subcontractor pursuant to a contract
20 with a qualified computer services, data processing or research and
21 development facility shall, upon proper showing, be refunded to such
22 qualified facility.

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1 E. The qualified computer services, data processing or research
2 and development facility shall file with the Oklahoma Tax Commission
3 the following documentation for any refund claimed:

4 1. Invoices indicating the amount of state and local sales tax
5 billed;

6 2. Affidavit of each vendor that state and local sales tax
7 billed has not been audited, rebated, or refunded to such qualified
8 facility but rather the sales tax charged has been collected by the
9 vendor and remitted to the Oklahoma Tax Commission; and

10 3. All additional documentation required to be submitted
11 pursuant to rules promulgated by the Oklahoma Tax Commission.

12 F. In the event that state and local sales tax was paid by a
13 contractor or subcontractor, the qualified computer services, data
14 processing or research and development facility shall file with the
15 Oklahoma Tax Commission all documentation required in subsection E
16 of this section but in lieu of the affidavit of each vendor the
17 qualified facility shall file, for any refund claimed, an affidavit
18 from the contractor or subcontractor stating that the sales tax
19 refund of the qualified facility is based on state and local sales
20 tax paid by the contractor or subcontractor on qualified purchases
21 as defined in ~~Section 6 of this act~~ Section 54002 of this title,
22 purchased and that the amount of state and local sales tax claimed
23 was paid to the vendor and no credit, refund, or rebate has been
24 claimed by the contractor or subcontractor.

1 G. Only sales of qualified purchases as defined in ~~Section 6 of~~
2 ~~this act~~ Section 54002 of this title, made after July 1, 1992, and
3 before January 1, 2022, shall be eligible for the refund established
4 by this section.

5 H. The qualified computer services, data processing or research
6 and development facility shall file, within thirty-six (36) months
7 of the date of the first purchase which is exempt from taxation
8 pursuant to the provisions of ~~Section 7 of this act~~ Section 54003 of
9 this title, with the Oklahoma Tax Commission a certification issued
10 by the Employment Security Commission in order to qualify for the
11 refund authorized by this section.

12 I. Notwithstanding the provisions of any state tax law, the
13 amount refunded under this section shall be assessed if the number
14 of new full-time-equivalent employees drops below the number
15 prescribed in ~~Section 6 of this act~~ Section 54002 of this title, at
16 any time within thirty-six (36) months of the date certification is
17 issued by the Oklahoma Employment Security Commission.

18 SECTION 3. This act shall become effective November 1, 2021.

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20 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
21 04/15/2021 - DO PASS.
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