

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 HOUSE BILL 2218

By: Deck

6 AS INTRODUCED

7 An Act relating to revenue and taxation; enacting the  
8 Local Music Incentive Act of 2025; defining terms;  
9 providing for incentive payment to certain eligible  
10 entities; prescribing amount of incentive payment;  
11 providing for computation of incentive payment  
12 amounts; prescribing application procedures;  
13 requiring Oklahoma Tax Commission to evaluate  
14 applications; creating the Local Music Incentive  
15 Revolving Fund; providing sources of revenue; stating  
16 purpose of fund; prescribing procedures for  
17 expenditures; providing for codification; providing  
18 an effective date; and declaring an emergency.

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

20 SECTION 1. NEW LAW A new section of law to be codified

21 in the Oklahoma Statutes as Section 4601 of Title 68, unless there  
22 is created a duplication in numbering, reads as follows:

23 This act shall be known and may be cited as the "Local Music  
24 Incentive Act of 2025".

SECTION 2. NEW LAW A new section of law to be codified

in the Oklahoma Statutes as Section 4602 of Title 68, unless there  
is created a duplication in numbering, reads as follows:

1       As used in this act:

2       1. "Eligible performance" means an event involving singing or  
3       the playing of one or more musical instruments or a combination of  
4       vocal performance and musical instrumental performance by a local  
5       performer at an eligible venue;

6       2. "Eligible venue" means either an indoor or outdoor location  
7       that is capable of hosting a musical performance, whether one person  
8       or more, for vocal or instrumental works or both, and which either  
9       sells or is capable of selling tangible personal property subject to  
10       state or local sales tax, or sells or is capable of selling items  
11       which would be or are subject to the mixed beverage gross receipts  
12       tax. For purposes of this paragraph, an eligible venue may be owned  
13       by a federally recognized Native American tribe if the tribe has  
14       entered into a compact with the State of Oklahoma in order to remit  
15       revenue derived from the operations of a tribal gaming facility  
16       authorized pursuant to the Indian Gaming Regulatory Act, 25 U.S.C.,  
17       Section 2701 et seq. or to remit some part of revenue derived from a  
18       tax, levied by the tribal entity, with respect to sales of tangible  
19       personal property at the venue or mixed beverage gross receipts tax  
20       or its equivalent or both such tax types;

21       3. "Eligible venue entity" means the person or lawfully  
22       recognized entity that owns or operates or owns and operates an  
23       eligible venue and which is either a vendor for purposes of state

1 sales tax collections or a remitter of mixed beverage gross receipts  
2 tax or both such tax types;

3       4. "Local performer" means a resident of the State of Oklahoma  
4 with respect to an individual, residents of the State of Oklahoma  
5 with respect to two or more persons appearing at an eligible venue,  
6 or a lawfully recognized business entity having Oklahoma residents  
7 as the owner or owners of a majority of the voting equity interest  
8 of the business entity;

9       5. "Medium size eligible venue" means a location that can  
10 safely accommodate more than three hundred (300) persons but not  
11 more than six hundred (600) persons;

12       6. "Minimum performance time" means the period of time  
13 allocated to a local performer at the eligible venue for performance  
14 of vocal music, instrumental music or both which shall be at least  
15 thirty (30) minutes in duration. An eligible venue entity shall  
16 make payment to the local performer either prior to the performance,  
17 but not later than the day of the performance and the payment shall  
18 be at least One Hundred Dollars (\$100.00) for a solo artist  
19 performing no longer than one (1) hour or One Hundred Dollars  
20 (\$100.00) per hour for either a solo artist or a group or band if  
21 the performance is longer than one (1) hour in duration;

22       7. "Mixed beverage gross receipts tax" means the levy imposed  
23 pursuant to Section 5-105 of Title 37A of the Oklahoma Statutes or  
24 with respect to an eligible tribal entity, a sales or equivalent tax

1 imposed by the tribe at a facility at which gaming authorized  
2 pursuant to the Indian Gaming Regulatory Act is authorized to be  
3 conducted;

4       8. "Resident" means a person who occupies a dwelling located  
5 within the state for at least six (6) months during a calendar year.  
6 For purposes of this act, absence from the state resulting from  
7 contractual obligations to perform at venues outside the state shall  
8 not be disregarded in computation of the period of residency;

9       9. "Sales tax" means the levy imposed pursuant to Section 1354  
10 of Title 68 of the Oklahoma Statutes or with respect to an eligible  
11 tribal entity, a sales or equivalent tax imposed by the tribe at a  
12 facility at which gaming authorized pursuant to the Indian Gaming  
13 Regulatory Act is authorized to be conducted; and

14       10. "Smaller eligible venue" means a location that can safely  
15 accommodate no more than three hundred (300) persons.

16           SECTION 3.        NEW LAW        A new section of law to be codified  
17 in the Oklahoma Statutes as Section 4603 of Title 68, unless there  
18 is created a duplication in numbering, reads as follows:

19           A. An eligible venue entity may receive a rebate of either  
20 sales tax or mixed beverage gross receipts tax or both such taxes  
21 based upon such revenues collected by or remitted by the entity at  
22 which the eligible performance occurs as further provided by this  
23 section.

1       B. A rebate of sales tax revenue shall be applicable to state  
2 sales tax collected by the eligible venue entity from sales of  
3 tangible personal property occurring during the period of time  
4 beginning twelve (12) hours prior to the scheduled start time for a  
5 performance by a local performer at the eligible venue and ending  
6 twelve (12) hours after the scheduled start time for a performance  
7 by a local performer at the eligible venue.

8       C. A rebate of mixed beverage gross receipts tax shall be  
9 applicable to the mixed beverage gross receipts tax paid or remitted  
10 by the eligible venue entity from sales of beverages subject to such  
11 levy occurring during the period of time beginning twelve (12) hours  
12 prior to the scheduled start time for a performance by a local  
13 performer at the eligible venue and ending twelve (12) hours after  
14 the scheduled start time for a performance by a local performer at  
15 the eligible venue.

16      D. An eligible venue entity may apply for a rebate of either  
17 sales tax or mixed beverage gross receipts tax or both such taxes  
18 according to the provisions of this act no more often than quarterly  
19 during each calendar year. The application shall be submitted to  
20 the Oklahoma Tax Commission no later than the following dates:

- 21       1. April 20 for the First Quarter;  
22       2. July 20 for the Second Quarter;  
23       3. October 20 for the Third Quarter; and

1       4. January 20 of the succeeding calendar year for the Fourth  
2 Quarter.

3           E. The amount of the rebate incentive payment shall be:

4           1. Twenty-five percent (25%) of the applicable taxes as  
5 prescribed by this act if the venue has a maximum capacity of three  
6 hundred (300) persons; or

7           2. Fifty percent (50%) of the applicable taxes as prescribed by  
8 this act if the venue has a maximum capacity greater than three  
9 hundred (300) persons, but not greater than six hundred (600)  
10 persons.

11       SECTION 4.       NEW LAW       A new section of law to be codified  
12 in the Oklahoma Statutes as Section 4604 of Title 68, unless there  
13 is created a duplication in numbering, reads as follows:

14       A. An eligible venue entity may make application for a rebate  
15 of either sales tax revenue or mixed beverage gross receipts tax  
16 revenue or both on a form to be prescribed by the Oklahoma Tax  
17 Commission for such purpose.

18       B. A copy of the applicable sales tax return or mixed beverage  
19 gross receipts tax returns shall be attached or transmitted to the  
20 Tax Commission with the application as the Tax Commission may  
21 prescribe.

22       C. The amount of sales tax or mixed beverage gross receipts tax  
23 to be paid in the form of an incentive shall not exceed the amounts  
24

1 as described pursuant to subsection B or subsection C of Section 3  
2 of this act with respect to each tax type.

3       D. It shall be the duty of the eligible venue entity making  
4 application for an incentive payment to be able to document the  
5 amount of the applicable tax collected, with respect to sales tax,  
6 or the amount of the applicable tax remitted or paid by the entity,  
7 with respect to the mixed beverage gross receipts tax, based upon  
8 the time periods as prescribed by subsection B or subsection C of  
9 Section 3 of this act.

10      SECTION 5.     NEW LAW       A new section of law to be codified  
11 in the Oklahoma Statutes as Section 4605 of Title 68, unless there  
12 is created a duplication in numbering, reads as follows:

13       The Tax Commission shall evaluate the application and may  
14 request such information from the applicant as may be required to  
15 document eligibility for the rebate. The Oklahoma Film and Music  
16 Office shall provide such assistance to the Tax Commission as may be  
17 required in order to implement the provisions of this act.

18      SECTION 6.     NEW LAW       A new section of law to be codified  
19 in the Oklahoma Statutes as Section 4606 of Title 68, unless there  
20 is created a duplication in numbering, reads as follows:

21       There is hereby created in the State Treasury a revolving fund  
22 for the Oklahoma Tax Commission to be designated the "Local Music  
23 Incentive Revolving Fund". The fund shall be a continuing fund, not  
24 subject to fiscal year limitations, and shall consist of all monies

1 received by the Oklahoma Tax Commission from such sources as may be  
2 provided by law. All monies accruing to the credit of said fund are  
3 hereby appropriated and may be budgeted and expended by the Oklahoma  
4 Tax Commission for the purpose of making rebate payments to an  
5 eligible venue entity as provided by this act. Expenditures from  
6 said fund shall be made upon warrants issued by the State Treasurer  
7 against claims filed as prescribed by law with the Director of the  
8 Office of Management and Enterprise Services for approval and  
9 payment.

10 SECTION 7. This act shall become effective July 1, 2025.

11 SECTION 8. It being immediately necessary for the preservation  
12 of the public peace, health or safety, an emergency is hereby  
13 declared to exist, by reason whereof this act shall take effect and  
14 be in full force from and after its passage and approval.

15  
16 60-1-12230        MAH        01/16/25