

1 ENGROSSED SENATE  
2 BILL NO. 687

3 By: Hall of the Senate  
4

5 and  
6

7 Caldwell (Trey) of the  
8 House  
9

10 [ sales tax exemption - rebate payments - program -  
11 claims - rebate limit - report - fund - liability -  
12 appropriation - transfer - codification - effective  
date -  
13 emergency ]  
14  
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16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

17 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1357.21, as  
18 last amended by Section 1, Chapter 273, O.S.L. 2024 (68 O.S. Supp.  
19 2024, Section 1357.21), is amended to read as follows:

20 Section 1357.21. A. The exemption authorized by the provisions  
21 of paragraph 43 of Section 1357 of this title shall be administered  
22 as a rebate. The rebate program shall be administered by the  
23 Oklahoma Broadband Office and the Oklahoma Tax Commission.

24 B. No claim for a rebate shall be approved unless the equipment  
was purchased in order to establish or expand broadband services in  
underserved or unserved areas. As used in this subsection and for  
purposes of the exemption authorized by paragraph 43 of Section 1357  
of this title, "broadband", "underserved", and "unserved" shall mean

1 those services and areas as defined in Section 139.102 of Title 17  
2 of the Oklahoma Statutes.

3 C. No claim for rebate shall be approved unless the claimant  
4 establishes that as a result of the equipment purchase there has  
5 been net growth in the number of potential customers served in  
6 underserved or unserved areas.

7 D. In order to qualify for rebate payments ~~during the fiscal~~  
8 ~~year beginning July 1, 2022, for~~ equipment or other items qualifying  
9 for the exemption authorized by paragraph 43 of Section 1357 of this  
10 title, the items must shall be purchased and placed in service  
11 between January 1, 2022, and December 31, 2023. Claims for rebates  
12 of sales tax or use tax paid for such equipment purchased in  
13 calendar year 2022 shall be filed with the Oklahoma Tax Commission  
14 not later than September 1, 2023, and in subsequent calendar years  
15 shall be filed with the Oklahoma Tax Commission not later than  
16 September 1 of the following year. Beginning in calendar year 2025,  
17 claims for rebates for sales or use tax paid for such equipment  
18 purchased in calendar year 2025 and subsequent calendar years shall  
19 be filed with the ~~Oklahoma Tax Commission~~ Oklahoma Broadband Office  
20 not later than September 1 of the following year.

21 E. The Oklahoma Broadband Office shall approve or disapprove  
22 all claims for a rebate payment beginning with claims for rebates  
23 for sales or use tax paid for such equipment purchased in calendar  
24 year 2025 and subsequent calendar years and shall notify the

1     Oklahoma Tax Commission. Upon notification of approval from the  
2     Oklahoma Broadband Office, the Tax Commission shall issue a rebate  
3     payment for all approved claims from funds in the Oklahoma Broadband  
4     Rebate Revolving Fund, created pursuant to Section 2 of this act.

5       F. Qualifying purchases do not include supporting or ancillary  
6     functions, such as office operations, field operations, marketing,  
7     transportation, warehousing, data storage, or similar operations  
8     that do not directly result in the distribution of broadband  
9     Internet service. Property directly used or consumed in or during  
10    the provision, creation, or production of a data processing service  
11    or information service, or property the provider grants, sells, or  
12    leases to the customer for use within the home or establishment  
13    receiving broadband is not eligible for a rebate under this section.

14      F. G. The total amount of rebates that may be paid shall not  
15    exceed Forty-two Million Dollars (\$42,000,000.00) with Thirty-one  
16    Million Five Hundred Thousand Dollars (\$31,500,000.00) of the total  
17    reserved for eligible projects serving counties having a population  
18    density of fewer than one hundred (100) persons per square mile and  
19    Ten Million Five Hundred Thousand Dollars (\$10,500,000.00) of the  
20    total reserved for eligible projects serving counties having a  
21    population density of one hundred (100) or more persons per square  
22    mile.

23      G. H. The amount of ~~rebate~~ rebates paid to each claimant shall  
24    be computed by dividing the applicable total rebate pool amount by

1 the dollar amount of claims timely received by the Tax Commission  
2 with respect to each fiscal year, and paying in full the amount of  
3 the claims submitted if the amount of claims are equal to, or less  
4 than, the total rebate pool, or a pro rata share if the total amount  
5 of claims submitted exceed the rebate pool.

6 ~~H. I. For the fiscal year beginning July 1, 2023, and all~~  
7 ~~subsequent fiscal years, the~~ The total amount of ~~rebate rebates~~ that  
8 may be paid shall not exceed Forty-two Million Dollars  
9 (\$42,000,000.00).

10 ~~I. J.~~ Claims for rebate shall be on such forms as the Oklahoma  
11 Tax Commission may prescribe for such purpose and shall contain any  
12 required information or supporting documentation the Commission  
13 requires to verify eligibility for the rebate payment. Claims for  
14 rebate for sales or use tax paid for equipment purchased in calendar  
15 year 2025 and subsequent calendar years shall be on such forms as  
16 the Oklahoma Broadband Office may prescribe for such purpose.

17 ~~J. K.~~ The Oklahoma Department of Commerce shall use information  
18 provided by the Oklahoma Tax Commission and the Oklahoma Broadband  
19 Office to prepare a report to identify the qualifying rural  
20 broadband projects completed with the equipment purchased together  
21 with the location of the equipment and the geographic areas served  
22 as a result of the equipment purchases, including the total number  
23 of potential new customers receiving qualifying broadband services

1 resulting from the project. The report shall not identify any  
2 entity by name that purchased equipment.

3 K. L. The report shall be filed not later than April 1, 2025,  
4 with respect to rebates paid for equipment purchases made during  
5 calendar years 2022 and 2023 and April 1 of the second succeeding  
6 year for equipment purchases made in subsequent calendar years. The  
7 Oklahoma Tax Commission and the Oklahoma Broadband Office shall make  
8 information available as required by subsection ~~J~~ K of this section  
9 as claims are completed to assist with the timely preparation of the  
10 report.

11 L. M. The report shall be electronically filed with the  
12 Governor, the Speaker of the House of Representatives and the  
13 President Pro Tempore of the Senate and posted on the Oklahoma  
14 Broadband Office website.

15 SECTION 2. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 1357.22 of Title 68, unless  
17 there is created a duplication in numbering, reads as follows:

18 A. There is hereby created in the State Treasury a revolving  
19 fund for the Oklahoma Tax Commission to be designated the "Oklahoma  
20 Broadband Revolving Fund". The fund shall be a continuing  
21 fund, not subject to fiscal year limitations, and shall consist of  
22 all monies received by the Tax Commission which are specifically  
23 required by law to be deposited in the fund. All monies accruing to  
24 the credit of the fund are hereby appropriated and may be budgeted

1 and expended by the Commission for the purpose of paying rebate  
2 claims pursuant to Section 1357.21 of Title 68 of the Oklahoma  
3 Statutes. Expenditures from the fund shall be made upon warrants  
4 issued by the State Treasurer against claims filed as prescribed by  
5 law with the Director of the Office of Management and Enterprise  
6 Services for approval and payment.

7       B. The liability of this state to make rebate payments pursuant  
8 to the program created in Section 1357.21 of Title 68 of the  
9 Oklahoma Statutes shall be limited to the balance of the Oklahoma  
10 Broadband Rebate Revolving Fund.

11       SECTION 3. There is hereby appropriated to the Oklahoma Tax  
12 Commission from any monies not otherwise appropriated from the  
13 General Revenue Fund of the State Treasury for the fiscal year  
14 ending June 30, 2023, the sum of Fifteen Million Dollars  
15 (\$15,000,000.00) to be transferred to the Oklahoma Broadband Rebate  
16 Revolving Fund created pursuant to Section 2 of this act.

17       SECTION 4. This act shall become effective July 1, 2025.

18       SECTION 5. It being immediately necessary for the preservation  
19 of the public peace, health or safety, an emergency is hereby  
20 declared to exist, by reason whereof this act shall take effect and  
21 be in full force from and after its passage and approval.

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Passed the Senate the 11th day of March, 2025.

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Presiding Officer of the Senate

Passed the House of Representatives the \_\_\_\_\_ day of \_\_\_\_\_,  
2025.

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Presiding Officer of the House  
of Representatives