

1 **SENATE FLOOR VERSION**

2 March 5, 2025

3 **AS AMENDED**

4 SENATE BILL NO. 59

5 By: Rader of the Senate

6 and

7 Schreiber of the House

8 **[sales tax - exemptions - documentation - effective
date]**

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

11 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1356, as

12 last amended by Section 148, Chapter 452, O.S.L. 2024 (68 O.S. Supp.
13 2024, Section 1356), is amended to read as follows:

14 Section 1356. Exemptions - Governmental and nonprofit entities.

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

17 1. Sale of tangible personal property or services to the United
18 States government or to this state, any political subdivision of
19 this state, or any agency of a political subdivision of this state;
20 provided, all sales to contractors in connection with the
21 performance of any contract with the United States government, this
22 state, or any of its political subdivisions shall not be exempted
23

1 from the tax levied by Section 1350 et seq. of this title, except as
2 hereinafter provided;

3 2. Sales of property to agents appointed by or under contract
4 with agencies or instrumentalities of the United States government
5 if ownership and possession of such property transfers immediately
6 to the United States government;

7 3. Sales of property to agents appointed by or under contract
8 with a political subdivision of this state if the sale of such
9 property is associated with the development of a qualified federal
10 facility, as provided in the Oklahoma Federal Facilities Development
11 Act, and if ownership and possession of such property transfers
12 immediately to the political subdivision or the state;

13 4. Sales made directly by county, district, or state fair
14 authorities of this state, upon the premises of the fair authority,
15 for the sole benefit of the fair authority or sales of admission
16 tickets to such fairs or fair events at any location in the state
17 authorized by county, district, or state fair authorities; provided,
18 the exemption provided by this paragraph for admission tickets to
19 fair events shall apply only to any portion of the admission price
20 that is retained by or distributed to the fair authority. As used
21 in this paragraph, "fair event" shall be limited to an event held on
22 the premises of the fair authority in conjunction with and during
23 the time period of a county, district, or state fair;

1 5. Sale of food in cafeterias or lunchrooms of elementary
2 schools, high schools, colleges, or universities which are operated
3 primarily for teachers and pupils and are not operated primarily for
4 the public or for profit;

5 6. Dues paid to fraternal, religious, civic, charitable, or
6 educational societies or organizations by regular members thereof,
7 provided, such societies or organizations operate under what is
8 commonly termed the lodge plan or system, and provided such
9 societies or organizations do not operate for a profit which injures
10 to the benefit of any individual member or members thereof to the
11 exclusion of other members and dues paid monthly or annually to
12 privately owned scientific and educational libraries by members
13 sharing the use of services rendered by such libraries with students
14 interested in the study of geology, petroleum engineering, or
15 related subjects;

16 7. Sale of tangible personal property or services to or by
17 churches, except sales made in the course of business for profit or
18 savings, competing with other persons engaged in the same, or a
19 similar business or sale of tangible personal property or services
20 by an organization exempt from federal income tax pursuant to
21 Section 501(c)(3) of the Internal Revenue Code of 1986, as amended,
22 made on behalf of or at the request of a church or churches if the
23 sale of such property is conducted not more than once each calendar
24 year for a period not to exceed three (3) days by the organization

1 and proceeds from the sale of such property are used by the church
2 or churches or by the organization for charitable purposes;

3 8. The amount of proceeds received from the sale of admission
4 tickets which is separately stated on the ticket of admission for
5 the repayment of money borrowed by any accredited state-supported
6 college or university or any public trust of which a county in this
7 state is the beneficiary, for the purpose of constructing or
8 enlarging any facility to be used for the staging of an athletic
9 event, a theatrical production, or any other form of entertainment,
10 edification or cultural cultivation to which entry is gained with a
11 paid admission ticket. Such facilities include, but are not limited
12 to, athletic fields, athletic stadiums, field houses, amphitheaters,
13 and theaters. To be eligible for this sales tax exemption, the
14 amount separately stated on the admission ticket shall be a
15 surcharge which is imposed, collected, and used for the sole purpose
16 of servicing or aiding in the servicing of debt incurred by the
17 college or university to effect the capital improvements
18 hereinbefore described;

19 9. Sales of tangible personal property or services to the
20 council organizations or similar state supervisory organizations of
21 the Boy Scouts of America, Girl Scouts of the U.S.A., and Camp Fire
22 USA;

23 10. Sale of tangible personal property or services to any
24 county, municipality, rural water district, public school district,

1 city-county library system, the institutions of The Oklahoma State
2 System of Higher Education, the Grand River Dam Authority, the
3 Northeast Oklahoma Public Facilities Authority, the Oklahoma
4 Municipal Power Authority, City of Tulsa-Rogers County Port
5 Authority, Muskogee City-County Port Authority, the Oklahoma
6 Department of Veterans Affairs, the Broken Bow Economic Development
7 Authority, Ardmore Development Authority, Durant Industrial
8 Authority, Oklahoma Ordnance Works Authority, Central Oklahoma
9 Master Conservancy District, Arbuckle Master Conservancy District,
10 Fort Cobb Reservoir Master Conservancy District, Foss Reservoir
11 Master Conservancy District, Mountain Park Master Conservancy
12 District, Waurika Lake Master Conservancy District and the Office of
13 Management and Enterprise Services only when carrying out a public
14 construction contract on behalf of the Oklahoma Department of
15 Veterans Affairs, and effective July 1, 2022, the University
16 Hospitals Trust, or to any person with whom any of the above-named
17 subdivisions or agencies of this state has duly entered into a
18 public contract pursuant to law, necessary for carrying out such
19 public contract or to any subcontractor to such a public contract.
20 Any person making purchases on behalf of such subdivision or agency
21 of this state shall certify, in writing, on the copy of the invoice
22 or sales ticket to be retained by the vendor that the purchases are
23 made for and on behalf of such subdivision or agency of this state
24 and set out the name of such public subdivision or agency. Any

1 person who wrongfully or erroneously certifies that purchases are
2 for any of the above-named subdivisions or agencies of this state or
3 who otherwise violates this section shall be guilty of a misdemeanor
4 and upon conviction thereof shall be fined an amount equal to double
5 the amount of sales tax involved or incarcerated for not more than
6 sixty (60) days or both;

7 11. Sales of tangible personal property or services to private
8 institutions of higher education and private elementary and
9 secondary institutions of education accredited by the State
10 Department of Education or registered by the State Board of
11 Education for purposes of participating in federal programs or
12 accredited as defined by the Oklahoma State Regents for Higher
13 Education which are exempt from taxation pursuant to the provisions
14 of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
15 501(c)(3) including materials, supplies, and equipment used in the
16 construction and improvement of buildings and other structures owned
17 by the institutions and operated for educational purposes.

18 Any person, firm, agency, or entity making purchases on behalf
19 of any institution, agency or subdivision in this state, shall
20 certify in writing, on the copy of the invoice or sales ticket the
21 nature of the purchases, and violation of this paragraph shall be a
22 misdemeanor as set forth in paragraph 10 of this section;

23 12. Tuition and educational fees paid to private institutions
24 of higher education and private elementary and secondary

1 institutions of education accredited by the State Department of
2 Education or registered by the State Board of Education for purposes
3 of participating in federal programs or accredited as defined by the
4 Oklahoma State Regents for Higher Education which are exempt from
5 taxation pursuant to the provisions of the Internal Revenue Code of
6 1986, as amended, 26 U.S.C., Section 501(c)(3);

7 13. a. Sales of tangible personal property made by:

- 8 (1) a public school,
 - 9 (2) a private school offering instruction for grade
10 levels kindergarten through twelfth grade,
 - 11 (3) a public school district,
 - 12 (4) a public or private school board,
 - 13 (5) a public or private school student group or
14 organization,
 - 15 (6) a parent-teacher association or organization
16 other than as specified in subparagraph b of this
17 paragraph, or
 - 18 (7) public or private school personnel for purposes
19 of raising funds for the benefit of a public or
20 private school, public school district, public or
21 private school board, or public or private school
22 student group or organization, or
- 23 b. Sales of tangible personal property made by or to
24 nonprofit parent-teacher associations or organizations

1 exempt from taxation pursuant to the provisions of the
2 Internal Revenue Code of 1986, as amended, 26 U.S.C.,
3 Section 501(c)(3), nonprofit local public or private
4 school foundations which solicit money or property in
5 the name of any public or private school or public
6 school district.

7 The exemption provided by this paragraph for sales made by a
8 public or private school shall be limited to those public or private
9 schools accredited by the State Department of Education or
10 registered by the State Board of Education for purposes of
11 participating in federal programs. Sale of tangible personal
12 property in this paragraph shall include sale of admission tickets
13 and concessions at athletic events;

14 14. Sales of tangible personal property by:

- 15 a. local 4-H clubs,
- 16 b. county, regional or state 4-H councils,
- 17 c. county, regional or state 4-H committees,
- 18 d. 4-H leader associations,
- 19 e. county, regional or state 4-H foundations, and
- 20 f. authorized 4-H camps and training centers.

21 The exemption provided by this paragraph shall be limited to
22 sales for the purpose of raising funds for the benefit of such
23 organizations. Sale of tangible personal property exempted by this
24 paragraph shall include sale of admission tickets;

1 15. The first Seventy-five Thousand Dollars (\$75,000.00) each
2 year from sale of tickets and concessions at athletic events by each
3 organization exempt from taxation pursuant to the provisions of the
4 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
5 501(c)(4);

6 16. Sales of tangible personal property or services to any
7 person with whom the Oklahoma Tourism and Recreation Department has
8 entered into a public contract and which is necessary for carrying
9 out such contract to assist the Department in the development and
10 production of advertising, promotion, publicity, and public
11 relations programs;

12 17. Sales of tangible personal property or services to fire
13 departments organized pursuant to Section 592 of Title 18 of the
14 Oklahoma Statutes, which items are to be used for the purposes of
15 the fire department. Any person making purchases on behalf of any
16 such fire department shall certify, in writing, on the copy of the
17 invoice or sales ticket to be retained by the vendor that the
18 purchases are made for and on behalf of such fire department and set
19 out the name of such fire department. Any person who wrongfully or
20 erroneously certifies that the purchases are for any such fire
21 department or who otherwise violates the provisions of this section
22 shall be deemed guilty of a misdemeanor and upon conviction thereof,
23 shall be fined an amount equal to double the amount of sales tax
24 involved or incarcerated for not more than sixty (60) days, or both;

1 18. Complimentary or free tickets for admission to places of
2 amusement, sports, entertainment, exhibition, display, or other
3 recreational events or activities which are issued through a box
4 office or other entity which is operated by a state institution of
5 higher education with institutional employees or by a municipality
6 with municipal employees;

7 19. The first Fifteen Thousand Dollars (\$15,000.00) each year
8 from sales of tangible personal property by fire departments
9 organized pursuant to Title 11, 18, or 19 of the Oklahoma Statutes
10 for the purposes of raising funds for the benefit of the fire
11 department. Fire departments selling tangible personal property for
12 the purposes of raising funds shall be limited to no more than six
13 (6) days each year to raise such funds in order to receive the
14 exemption granted by this paragraph;

15 20. Sales of tangible personal property or services to any Boys
16 & Girls Clubs of America affiliate in this state which is not
17 affiliated with the Salvation Army and which is exempt from taxation
18 pursuant to the provisions of the Internal Revenue Code of 1986, as
19 amended, 26 U.S.C., Section 501(c)(3);

20 21. Sales of tangible personal property or services to any
21 organization, which takes court-adjudicated juveniles for purposes
22 of rehabilitation, and which is exempt from taxation pursuant to the
23 provisions of the Internal Revenue Code of 1986, as amended, 26
24 U.S.C., Section 501(c)(3), provided that at least fifty percent

1 (50%) of the juveniles served by such organization are court
2 adjudicated and the organization receives state funds in an amount
3 less than ten percent (10%) of the annual budget of the
4 organization;

5 22. Sales of tangible personal property or services to:

6 a. any health center as defined in Section 254b of Title
7 42 of the United States Code,
8 b. any clinic receiving disbursements of state monies
9 from the Indigent Health Care Revolving Fund pursuant
10 to the provisions of Section 66 of Title 56 of the
11 Oklahoma Statutes,

12 c. any community-based health center which meets all of
13 the following criteria:

14 (1) provides primary care services at no cost to the
15 recipient, and
16 (2) is exempt from taxation pursuant to the
17 provisions of Section 501(c)(3) of the Internal
18 Revenue Code of 1986, as amended, 26 U.S.C.,
19 Section 501(c)(3), and

20 d. any community mental health center as defined in
21 Section 3-302 of Title 43A of the Oklahoma Statutes;

22 23. Dues or fees including free or complimentary dues or fees
which have a value equivalent to the charge that could have

1 otherwise been made, to YMCAs, YWCAs, or municipally-owned
2 recreation centers for the use of facilities and programs;

3 24. The first Fifteen Thousand Dollars (\$15,000.00) each year
4 from sales of tangible personal property or services to or by a
5 cultural organization established to sponsor and promote
6 educational, charitable, and cultural events for disadvantaged
7 children, and which organization is exempt from taxation pursuant to
8 the provisions of the Internal Revenue Code of 1986, as amended, 26
9 U.S.C., Section 501(c)(3);

10 25. Sales of tangible personal property or services to museums
11 or other entities which have been accredited by the American
12 Association Alliance of Museums. Any person making purchases on
13 behalf of any such museum or other entity shall certify, in writing,
14 on the copy of the invoice or sales ticket to be retained by the
15 vendor that the purchases are made for and on behalf of such museum
16 or other entity and set out the name of such museum or other entity.
17 Any person who wrongfully or erroneously certifies that the
18 purchases are for any such museum or other entity or who otherwise
19 violates the provisions of this paragraph shall be deemed guilty of
20 a misdemeanor and, upon conviction thereof, shall be fined an amount
21 equal to double the amount of sales tax involved or incarcerated for
22 not more than sixty (60) days, or by both such fine and
23 incarceration;

1 26. Sales of tickets for admission by any museum accredited by
2 the American Association Alliance of Museums. In order to be
3 eligible for the exemption provided by this paragraph, an amount
4 equivalent to the amount of the tax which would otherwise be
5 required to be collected pursuant to the provisions of Section 1350
6 et seq. of this title shall be separately stated on the admission
7 ticket and shall be collected and used for the sole purpose of
8 servicing or aiding in the servicing of debt incurred by the museum
9 to effect the construction, enlarging or renovation of any facility
10 to be used for entertainment, edification, or cultural cultivation
11 to which entry is gained with a paid admission ticket;

12 27. Sales of tangible personal property or services occurring
13 on or after June 1, 1995, to children's homes which are supported or
14 sponsored by one or more churches, members of which serve as
15 trustees of the home;

16 28. Sales of tangible personal property or services to the
17 organization known as the Disabled American Veterans, Department of
18 Oklahoma, Inc., and subordinate chapters thereof;

19 29. Sales of tangible personal property or services to youth
20 camps which are supported or sponsored by one or more churches,
21 members of which serve as trustees of the organization;

the Oklahoma Statutes by the University Hospitals
Trust, and

b. Effective July 1, 2022, transfer of tangible personal property or services to or by:

(1) the University Hospitals Trust created pursuant to Section 3224 of Title 63 of the Oklahoma Statutes, or

(2) nonprofit entities which are exempt from taxation pursuant to the provisions of the Internal Revenue Code of 1986, as amended, of the United States, 26 U.S.C., Section 501(c)(3), which have entered into a joint operating agreement with the University Hospitals Trust;

14 31. Sales of tangible personal property or services to a
15 municipality, county, or school district pursuant to a lease or
16 lease-purchase agreement executed between the vendor and a
17 municipality, county, or school district. A copy of the lease or
18 lease-purchase agreement shall be retained by the vendor;

19 32. Sales of tangible personal property or services to any
20 spaceport user, as defined in the Oklahoma Space Industry
21 Development Act;

22 33. The sale, use, storage, consumption, or distribution in
23 this state, whether by the importer, exporter, or another person, of
24 any satellite or any associated launch vehicle including components

1 of, and parts and motors for, any such satellite or launch vehicle,
2 imported or caused to be imported into this state for the purpose of
3 export by means of launching into space. This exemption provided by
4 this paragraph shall not be affected by:

- 5 a. the destruction in whole or in part of the satellite
6 or launch vehicle,
- 7 b. the failure of a launch to occur or be successful, or
- 8 c. the absence of any transfer or title to, or possession
9 of, the satellite or launch vehicle after launch;

10 34. The sale, lease, use, storage, consumption, or distribution
11 in this state of any space facility, space propulsion system or
12 space vehicle, satellite, or station of any kind possessing space
13 flight capacity including components thereof;

14 35. The sale, lease, use, storage, consumption, or distribution
15 in this state of tangible personal property, placed on or used
16 aboard any space facility, space propulsion system or space vehicle,
17 satellite, or station possessing space flight capacity, which is
18 launched into space, irrespective of whether such tangible property
19 is returned to this state for subsequent use, storage, or
20 consumption in any manner;

21 36. The sale, lease, use, storage, consumption, or distribution
22 in this state of tangible personal property meeting the definition
23 of "section 38 property" as defined in Sections 48(a)(1)(A) and
24 (B)(i) of the Internal Revenue Code of 1986, as amended, that is an

1 integral part of and used primarily in support of space flight;
2 however, section 38 property used in support of space flight shall
3 not include general office equipment, any boat, mobile home, motor
4 vehicle, or other vehicle of a class or type required to be
5 registered, licensed, titled or documented in this state or by the
6 United States government, or any other property not specifically
7 suited to supporting space activity. The term "in support of space
8 flight", for purposes of this paragraph, means the altering,
9 monitoring, controlling, regulating, adjusting, servicing, or
10 repairing of any space facility, space propulsion systems or space
11 vehicle, satellite, or station possessing space flight capacity
12 including the components thereof;

13 37. The purchase or lease of machinery and equipment for use at
14 a fixed location in this state, which is used exclusively in the
15 manufacturing, processing, compounding, or producing of any space
16 facility, space propulsion system or space vehicle, satellite, or
17 station of any kind possessing space flight capacity. Provided, the
18 exemption provided for in this paragraph shall not be allowed unless
19 the purchaser or lessee signs an affidavit stating that the item or
20 items to be exempted are for the exclusive use designated herein.
21 Any person furnishing a false affidavit to the vendor for the
22 purpose of evading payment of any tax imposed by Section 1354 of
23 this title shall be subject to the penalties provided by law. As
24 used in this paragraph, "machinery and equipment" means "section 38

1 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the
2 Internal Revenue Code of 1986, as amended, which is used as an
3 integral part of the manufacturing, processing, compounding, or
4 producing of items of tangible personal property. Such term
5 includes parts and accessories only to the extent that the exemption
6 thereof is consistent with the provisions of this paragraph;

7 38. The amount of a surcharge or any other amount which is
8 separately stated on an admission ticket which is imposed, collected
9 and used for the sole purpose of constructing, remodeling, or
10 enlarging facilities of a public trust having a municipality or
11 county as its sole beneficiary;

12 39. Sales of tangible personal property or services which are
13 directly used in or for the benefit of a state park in this state,
14 which are made to an organization which is exempt from taxation
15 pursuant to the provisions of the Internal Revenue Code of 1986, as
16 amended, 26 U.S.C., Section 501(c)(3) and which is organized
17 primarily for the purpose of supporting one or more state parks
18 located in this state;

19 40. The sale, lease, or use of parking privileges by an
20 institution of The Oklahoma State System of Higher Education;

21 41. Sales of tangible personal property or services for use on
22 campus or school construction projects for the benefit of
23 institutions of The Oklahoma State System of Higher Education,
24 private institutions of higher education accredited by the Oklahoma

1 State Regents for Higher Education, or any public school or school
2 district when such projects are financed by or through the use of
3 nonprofit entities which are exempt from taxation pursuant to the
4 provisions of the Internal Revenue Code of 1986, as amended, 26
5 U.S.C., Section 501(c)(3);

6 42. Sales of tangible personal property or services by an
7 organization which is exempt from taxation pursuant to the
8 provisions of the Internal Revenue Code of 1986, as amended, 26
9 U.S.C., Section 501(c)(3), in the course of conducting a national
10 championship sports event, but only if all or a portion of the
11 payment in exchange therefor would qualify as the receipt of a
12 qualified sponsorship payment described in Internal Revenue Code of
13 1986, as amended, 26 U.S.C., Section 513(i). Sales exempted
14 pursuant to this paragraph shall be exempt from all Oklahoma sales,
15 use, excise, and gross receipts taxes;

16 43. Sales of tangible personal property or services to or by an
17 organization which:

- 18 a. is exempt from taxation pursuant to the provisions of
19 the Internal Revenue Code of 1986, as amended, 26
20 U.S.C., Section 501(c)(3),
- 21 b. is affiliated with a comprehensive university within
22 The Oklahoma State System of Higher Education, and

- c. has been organized primarily for the purpose of providing education and teacher training and conducting events relating to robotics;

44. The first Fifteen Thousand Dollars (\$15,000.00) each year

from sales of tangible personal property to or by youth athletic

teams which are part of an athletic organization exempt from

taxation pursuant to the provisions of the Internal Revenue Code of

1986, as amended, 26 U.S.C., Section 501(c)(4), for the purposes of

raising funds for the benefit of the team;

45. Sales of tickets for admission to a collegiate athletic

event that is held in a facility owned or operated by a municipality

or a public trust of which the municipality is the sole beneficiary

and that actually determines or is part of a tournament or

tournament process for determining a conference tournament

championship, a conference championship, or a national champ

46. Sales of tangible personal property or services to or by an

anization which is exempt from taxation pursuant to the

provisions of the Internal Revenue Code of 1986, as amended.

U.S.C., Section 501(c)(3) and is operating the Oklahoma City

National Memorial and Museum, an affiliate of the National Park

System;

47. Sales of tangible personal property or services to

1 1986, as amended, 26 U.S.C., Section 501(c)(3), the memberships of
2 which are limited to honorably discharged veterans, and which
3 furnish financial support to area veterans' organizations to be used
4 for the purpose of constructing a memorial or museum;

5 48. Sales of tangible personal property or services on or after
6 January 1, 2003, to an organization which is exempt from taxation
7 pursuant to the provisions of the Internal Revenue Code of 1986, as
8 amended, 26 U.S.C., Section 501(c)(3) that is expending monies
9 received from a private foundation grant in conjunction with
10 expenditures of local sales tax revenue to construct a local public
11 library;

12 49. Sales of tangible personal property or services to a state
13 that borders this state or any political subdivision of that state,
14 but only to the extent that the other state or political subdivision
15 exempts or does not impose a tax on similar sales of items to this
16 state or a political subdivision of this state;

17 50. Effective July 1, 2005, sales of tangible personal property
18 or services to the ~~Career Technology Student Organizations~~ citizen
19 technology student organizations under the direction and supervision
20 of the Oklahoma Department of Career and Technology Education;

21 51. Sales of tangible personal property to a public trust
22 having either a single city, town or county or multiple cities,
23 towns or counties, or combination thereof as beneficiary or
24 beneficiaries or a nonprofit organization which is exempt from

1 taxation pursuant to the provisions of the Internal Revenue Code of
2 1986, as amended, 26 U.S.C., Section 501(c)(3) for the purpose of
3 constructing improvements to or expanding a hospital or nursing home
4 owned and operated by any such public trust or nonprofit entity
5 prior to July 1, 2008, in counties with a population of less than
6 one hundred thousand (100,000) persons, according to the most recent
7 Federal Decennial Census. As used in this paragraph, "constructing
8 improvements to or expanding" shall not mean any expense for routine
9 maintenance or general repairs and shall require a project cost of
10 at least One Hundred Thousand Dollars (\$100,000.00). For purposes
11 of this paragraph, sales made to a contractor or subcontractor that
12 enters into a contractual relationship with a public trust or
13 nonprofit entity as described by this paragraph shall be considered
14 sales made to the public trust or nonprofit entity. The exemption
15 authorized by this paragraph shall be administered in the form of a
16 refund from the sales tax revenues apportioned pursuant to Section
17 1353 of this title and the vendor shall be required to collect the
18 sales tax otherwise applicable to the transaction. The purchaser
19 may apply for a refund of the sales tax paid in the manner
20 prescribed by this paragraph. Within thirty (30) days after the end
21 of each fiscal year, any purchaser that is entitled to make
22 application for a refund based upon the exempt treatment authorized
23 by this paragraph may file an application for refund of the sales
24 taxes paid during such preceding fiscal year. The Oklahoma Tax

1 Commission shall prescribe a form for purposes of making the
2 application for refund. The Tax Commission shall determine whether
3 or not the total amount of sales tax exemptions claimed by all
4 purchasers is equal to or less than Six Hundred Fifty Thousand
5 Dollars (\$650,000.00). If such claims are less than or equal to
6 that amount, the Tax Commission shall make refunds to the purchasers
7 in the full amount of the documented and verified sales tax amounts.
8 If such claims by all purchasers are in excess of Six Hundred Fifty
9 Thousand Dollars (\$650,000.00), the Tax Commission shall determine
10 the amount of each purchaser's claim, the total amount of all claims
11 by all purchasers, and the percentage each purchaser's claim amount
12 bears to the total. The resulting percentage determined for each
13 purchaser shall be multiplied by Six Hundred Fifty Thousand Dollars
14 (\$650,000.00) to determine the amount of refundable sales tax to be
15 paid to each purchaser. The pro rata refund amount shall be the
16 only method to recover sales taxes paid during the preceding fiscal
17 year and no balance of any sales taxes paid on a pro rata basis
18 shall be the subject of any subsequent refund claim pursuant to this
19 paragraph;

20 52. Effective July 1, 2006, sales of tangible personal property
21 or services to any organization which assists, trains, educates, and
22 provides housing for physically and mentally ~~handicapped~~ disabled
23 persons and which is exempt from taxation pursuant to the provisions
24 of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section

1 501(c) (3) and that receives at least eighty-five percent (85%) of
2 its annual budget from state or federal funds. In order to receive
3 the benefit of the exemption authorized by this paragraph, the
4 taxpayer shall be required to make payment of the applicable sales
5 tax at the time of sale to the vendor in the manner otherwise
6 required by law. Notwithstanding any other provision of the
7 Oklahoma Uniform Tax Procedure Code to the contrary, the taxpayer
8 shall be authorized to file a claim for refund of sales taxes paid
9 that qualify for the exemption authorized by this paragraph for a
10 period of one (1) year after the date of the sale transaction. The
11 taxpayer shall be required to provide documentation as may be
12 prescribed by the Oklahoma Tax Commission in support of the refund
13 claim. The total amount of sales tax qualifying for exempt
14 treatment pursuant to this paragraph shall not exceed One Hundred
15 Seventy-five Thousand Dollars (\$175,000.00) each fiscal year.

16 Claims for refund shall be processed in the order in which such
17 claims are received by the Oklahoma Tax Commission. If a claim
18 otherwise timely filed exceeds the total amount of refunds payable
19 for a fiscal year, such claim shall be barred;

20 53. The first Two Thousand Dollars (\$2,000.00) each year of
21 sales of tangible personal property or services to, by, or for the
22 benefit of a qualified neighborhood watch organization that is
23 endorsed or supported by or working directly with a law enforcement
24 agency with jurisdiction in the area in which the neighborhood watch

1 organization is located. As used in this paragraph, "qualified
2 neighborhood watch organization" means an organization that is a
3 not-for-profit corporation under the laws of this state that was
4 created to help prevent criminal activity in an area through
5 community involvement and interaction with local law enforcement and
6 which is one of the first two thousand organizations which makes
7 application to the Oklahoma Tax Commission for the exemption after
8 March 29, 2006;

9 54. Sales of tangible personal property to a nonprofit
10 organization, exempt from taxation pursuant to the provisions of the
11 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
12 501(c) (3), organized primarily for the purpose of providing services
13 to homeless persons during the day and located in a metropolitan
14 area with a population in excess of five hundred thousand (500,000)
15 persons according to the latest Federal Decennial Census. The
16 exemption authorized by this paragraph shall be applicable to sales
17 of tangible personal property to a qualified entity occurring on or
18 after January 1, 2005;

19 55. Sales of tangible personal property or services to or by an
20 organization which is exempt from taxation pursuant to the
21 provisions of the Internal Revenue Code of 1986, as amended, 26
22 U.S.C., Section 501(c) (3) for events the principal purpose of which
23 is to provide funding for the preservation of wetlands and habitat
24 for wild ducks;

1 56. Sales of tangible personal property or services to or by an
2 organization which is exempt from taxation pursuant to the
3 provisions of the Internal Revenue Code of 1986, as amended, 26
4 U.S.C., Section 501(c)(3) for events the principal purpose of which
5 is to provide funding for the preservation and conservation of wild
6 turkeys;

7 57. Sales of tangible personal property or services to an
8 organization which:

9 a. is exempt from taxation pursuant to the provisions of
10 the Internal Revenue Code of 1986, as amended, 26
11 U.S.C., Section 501(c)(3), and

12 b. is part of a network of community-based, autonomous
13 member organizations that meets the following
14 criteria:

15 (1) serves people with workplace disadvantages and
16 disabilities by providing job training and
17 employment services, as well as job placement
18 opportunities and post-employment support,

19 (2) has locations in the United States and at least
20 twenty other countries,

21 (3) collects donated clothing and household goods to
22 sell in retail stores and provides contract labor
23 services to business and government, and

(4) provides documentation to the Oklahoma Tax Commission that over seventy-five percent (75%) of its revenues are channeled into employment, job training and placement programs, and other critical community services;

58. Sales of tickets made on or after September 21, 2005, and
complimentary or free tickets for admission issued on or after
September 21, 2005, which have a value equivalent to the charge that
would have otherwise been made, for admission to a professional
athletic event in which a team in the National Basketball
Association is a participant, which is held in a facility owned or
operated by a municipality, a county, or a public trust of which a
municipality or a county is the sole beneficiary, and sales of
tickets made on or after July 1, 2007, and complimentary or free
tickets for admission issued on or after July 1, 2007, which have a
value equivalent to the charge that would have otherwise been made,
for admission to a professional athletic event in which a team in
the National Hockey League is a participant, which is held in a
facility owned or operated by a municipality, a county, or a public
trust of which a municipality or a county is the sole beneficiary;

21 59. Sales of tickets for admission and complimentary or free
22 tickets for admission which have a value equivalent to the charge
23 that would have otherwise been made to a professional sporting event
24 involving ice hockey, baseball, basketball, football or arena

1 football, or soccer. As used in this paragraph, "professional
2 sporting event" means an organized athletic competition between
3 teams that are members of an organized league or association with
4 centralized management, other than a national league or national
5 association, that imposes requirements for participation in the
6 league upon the teams, the individual athletes, or both, and which
7 uses a salary structure to compensate the athletes;

8 60. Sales of tickets for admission to an annual event sponsored
9 by an educational and charitable organization of women which is
10 exempt from taxation pursuant to the provisions of the Internal
11 Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c)(3) and
12 has as its mission promoting volunteerism, developing the potential
13 of women and improving the community through the effective action
14 and leadership of trained volunteers;

15 61. Sales of tangible personal property or services to an
16 organization, which is exempt from taxation pursuant to the
17 provisions of the Internal Revenue Code of 1986, as amended, 26
18 U.S.C., Section 501(c)(3), and which is itself a member of an
19 organization which is exempt from taxation pursuant to the
20 provisions of the Internal Revenue Code of 1986, as amended, 26
21 U.S.C., Section 501(c)(3), if the membership organization is
22 primarily engaged in advancing the purposes of its member
23 organizations through fundraising, public awareness, or other
24 efforts for the benefit of its member organizations, and if the

1 member organization is primarily engaged either in providing
2 educational services and programs concerning health-related diseases
3 and conditions to individuals suffering from such health-related
4 diseases and conditions or their caregivers and family members or
5 support to such individuals, or in health-related research as to
6 such diseases and conditions, or both. In order to qualify for the
7 exemption authorized by this paragraph, the member nonprofit
8 organization shall be required to provide proof to the Oklahoma Tax
9 Commission of its membership status in the membership organization;

10 62. Sales of tangible personal property or services to or by an
11 organization which is part of a national volunteer women's service
12 organization dedicated to promoting patriotism, preserving American
13 history, and securing better education for children and which has at
14 least ~~168,000~~ one hundred sixty-eight thousand members in ~~3,000~~
15 three thousand chapters across the United States;

16 63. Sales of tangible personal property or services to or by a
17 YWCA or YMCA organization which is part of a national nonprofit
18 community service organization working to meet the health and social
19 service needs of its members across the United States;

20 64. Sales of tangible personal property or services to or by a
21 veteran's organization which is exempt from taxation pursuant to the
22 provisions of the Internal Revenue Code of 1986, as amended, 26
23 U.S.C., Section 501(c)(19) and which is known as the Veterans of
24 Foreign Wars of the United States, Oklahoma Chapters;

1 65. Sales of boxes of food by a church or by an organization,
2 which is exempt from taxation pursuant to the provisions of the
3 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
4 501(c)(3). To qualify under the provisions of this paragraph, the
5 organization must be organized for the primary purpose of feeding
6 needy individuals or to encourage volunteer service by requiring
7 such service in order to purchase food. These boxes shall only
8 contain edible staple food items;

9 66. Sales of tangible personal property or services to any
10 person with whom a church has duly entered into a construction
11 contract, necessary for carrying out such contract or to any
12 subcontractor to such a construction contract;

13 67. Sales of tangible personal property or services used
14 exclusively for charitable or educational purposes, to or by an
15 organization which:

- 16 a. is exempt from taxation pursuant to the provisions of
17 the Internal Revenue Code of 1986, as amended, 26
18 U.S.C., Section 501(c)(3),
- 19 b. has filed a Not-for-Profit Certificate of
20 Incorporation in this state, and
- 21 c. is organized for the purpose of:
 - 22 (1) providing training and education to
23 developmentally disabled individuals,

- (2) educating the community about the rights, abilities, and strengths of developmentally disabled individuals, and
- (3) promoting unity among developmentally disabled individuals in their community and geographic area;

7 68. Sales of tangible personal property or services to any
8 organization which is a shelter for abused, neglected, or abandoned
9 children and which is exempt from taxation pursuant to the
10 provisions of the Internal Revenue Code of 1986, as amended, 26
11 U.S.C., Section 501(c)(3); provided, until July 1, 2008, such
12 exemption shall apply only to eligible shelters for children from
13 birth to age twelve (12) and after July 1, 2008, such exemption
14 shall apply to eligible shelters for children from birth to age
15 eighteen (18);

16 69. Sales of tangible personal property or services to a child
17 care center which is licensed pursuant to the Oklahoma Child Care
18 Facilities Licensing Act and which:

- a. possesses a 3-star rating from the Department of Human Services Reaching for the Stars Program or a national accreditation, and
- b. allows on-site universal prekindergarten education to be provided to four-year-old children through a

1 contractual agreement with any public school or school
2 district.

3 For the purposes of this paragraph, sales made to any person,
4 firm, agency, or entity that has entered previously into a
5 contractual relationship with a child care center for construction
6 and improvement of buildings and other structures owned by the child
7 care center and operated for educational purposes shall be
8 considered sales made to a child care center. Any such person,
9 firm, agency, or entity making purchases on behalf of a child care
10 center shall certify, in writing, on the copy of the invoice or
11 sales ticket the nature of the purchase. Any such person, or person
12 acting on behalf of a firm, agency, or entity making purchases on
13 behalf of a child care center in violation of this paragraph shall
14 be guilty of a misdemeanor and upon conviction thereof shall be
15 fined an amount equal to double the amount of sales tax involved or
16 incarcerated for not more than sixty (60) days or both;

17 70. a. Sales of tangible personal property to a service
18 organization of mothers who have children who are
19 serving or who have served in the military, which
20 service organization is exempt from taxation pursuant
21 to the provisions of the Internal Revenue Code of
22 1986, as amended, 26 U.S.C., Section 501(c)(19) and
23 which is known as the Blue Star Mothers of America,
24 Inc. The exemption provided by this paragraph shall

1 only apply to the purchase of tangible personal
2 property actually sent to United States military
3 personnel overseas who are serving in a combat zone
4 and not to any other tangible personal property
5 purchased by the organization. Provided, this
6 exemption shall not apply to any sales tax levied by a
7 city, town, county, or any other jurisdiction in this
8 state.

9 b. The exemption authorized by this paragraph shall be
10 administered in the form of a refund from the sales
11 tax revenues apportioned pursuant to Section 1353 of
12 this title, and the vendor shall be required to
13 collect the sales tax otherwise applicable to the
14 transaction. The purchaser may apply for a refund of
15 the state sales tax paid in the manner prescribed by
16 this paragraph. Within sixty (60) days after the end
17 of each calendar quarter, any purchaser that is
18 entitled to make application for a refund based upon
19 the exempt treatment authorized by this paragraph may
20 file an application for refund of the state sales
21 taxes paid during such preceding calendar quarter.
22 The Tax Commission shall prescribe a form for purposes
23 of making the application for refund.
24

1 c. A purchaser who applies for a refund pursuant to this
2 paragraph shall certify that the items were actually
3 sent to military personnel overseas in a combat zone.
4 Any purchaser that applies for a refund for the
5 purchase of items that are not authorized for
6 exemption under this paragraph shall be subject to a
7 penalty in the amount of Five Hundred Dollars
8 (\$500.00);

9 71. Sales of food and snack items to or by an organization
10 which is exempt from taxation pursuant to the provisions of the
11 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
12 501(c)(3), whose primary and principal purpose is providing funding
13 for scholarships in the medical field;

14 72. Sales of tangible personal property or services for use
15 solely on construction projects for organizations which are exempt
16 from taxation pursuant to the provisions of the Internal Revenue
17 Code of 1986, as amended, 26 U.S.C., Section 501(c)(3) and whose
18 purpose is providing end-of-life care and access to hospice services
19 to low-income individuals who live in a facility owned by the
20 organization. The exemption provided by this paragraph applies to
21 sales to the organization as well as to sales to any person with
22 whom the organization has duly entered into a construction contract,
23 necessary for carrying out such contract or to any subcontractor to
24 such a construction contract. Any person making purchases on behalf

1 of such organization shall certify, in writing, on the copy of the
2 invoice or sales ticket to be retained by the vendor that the
3 purchases are made for and on behalf of such organization and set
4 out the name of such organization. Any person who wrongfully or
5 erroneously certifies that purchases are for any of the above-named
6 organizations or who otherwise violates this section shall be guilty
7 of a misdemeanor and upon conviction thereof shall be fined an
8 amount equal to double the amount of sales tax involved or
9 incarcerated for not more than sixty (60) days or both;

10 73. Sales of tickets for admission to events held by
11 organizations exempt from taxation pursuant to the provisions of the
12 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
13 501(c)(3) that are organized for the purpose of supporting general
14 hospitals licensed by the State Department of Health;

15 74. Sales of tangible personal property or services:

16 a. to a foundation which is exempt from taxation pursuant
17 to the provisions of the Internal Revenue Code of
18 1986, as amended, 26 U.S.C., Section 501(c)(3) and
19 which raises tax-deductible contributions in support
20 of a wide range of firearms-related public interest
21 activities of the National Rifle Association of
22 America and other organizations that defend and foster
23 Second Amendment rights, and

1 b. to or by a grassroots fundraising program for sales
2 related to events to raise funds for a foundation
3 meeting the qualifications of subparagraph a of this
4 paragraph;

5 75. Sales by an organization or entity which is exempt from
6 taxation pursuant to the provisions of the Internal Revenue Code of
7 1986, as amended, 26 U.S.C., Section 501(c)(3) which are related to
8 a fundraising event sponsored by the organization or entity when the
9 event does not exceed any five (5) consecutive days and when the
10 sales are not in the organization's or the entity's regular course
11 of business. Provided, the exemption provided in this paragraph
12 shall be limited to tickets sold for admittance to the fundraising
13 event and items which were donated to the organization or entity for
14 sale at the event;

15 76. Effective November 1, 2017, sales of tangible personal
16 property or services to an organization which is exempt from
17 taxation pursuant to the provisions of the Internal Revenue Code of
18 1986, as amended, 26 U.S.C., Section 501(c)(3) and operates as a
19 collaborative model which connects community agencies in one
20 location to serve individuals and families affected by violence and
21 where victims have access to services and advocacy at no cost to the
22 victim;

23 77. Effective July 1, 2018, sales of tangible personal property
24 or services to or by an association which is exempt from taxation

1 pursuant to the provisions of the Internal Revenue Code of 1986, as
2 amended, 26 U.S.C., Section 501(c)(19) and which is known as the
3 National Guard Association of Oklahoma;

4 78. Effective July 1, 2018, sales of tangible personal property
5 or services to or by an association which is exempt from taxation
6 pursuant to the provisions of the Internal Revenue Code of 1986, as
7 amended, 26 U.S.C., Section 501(c)(4) and which is known as the
8 Marine Corps League of Oklahoma;

9 79. Sales of tangible personal property or services to the
10 American Legion, whether the purchase is made by the entity
11 chartered by the United States Congress or is an entity organized
12 under the laws of this or another state pursuant to the authority of
13 the national American Legion organization;

14 80. Sales of tangible personal property or services to or by an
15 organization which is:

16 a. exempt from taxation pursuant to the provisions of the
17 Internal Revenue Code of 1986, as amended, 26 U.S.C.,

18 Section 501(c)(3),

19 b. verified with a letter from the MIT Fab Foundation as
20 an official member of the Fab Lab Network in
21 compliance with the Fab Charter, and

22 c. able to provide documentation that its primary and
23 principal purpose is to provide community access to
24 advanced 21st century manufacturing and digital

1 fabrication tools for science, technology,
2 engineering, art and math (STEAM) learning skills,
3 developing inventions, creating and sustaining
4 businesses, and producing personalized products;

5 81. Effective November 1, 2021, sales of tangible personal
6 property or services used solely for construction and remodeling
7 projects to an organization which is exempt from taxation pursuant
8 to the provisions of the Internal Revenue Code of 1986, as amended,
9 26 U.S.C., Section 501(c)(3), and which meets the following
10 requirements:

- 11 a. its primary purpose is to construct or remodel and
12 sell affordable housing and provide homeownership
13 education to residents of Oklahoma that have an income
14 that is below one hundred percent (100%) of the Family
15 Median Income guidelines as defined by the U.S.
16 Department of Housing and Urban Development,
- 17 b. it conducts its activities in a manner that serves
18 public or charitable purposes, rather than commercial
19 purposes,
- 20 c. it receives funding and revenue and charges fees in a
21 manner that does not incentivize it or its employees
22 to act other than in the best interests of its
23 clients, and

1 d. it compensates its employees in a manner that does not
2 incentivize employees to act other than in the best
3 interests of its clients;

4 82. Effective November 1, 2021, sales of tangible personal
5 property or services to a nonprofit entity, organized pursuant to
6 Oklahoma law before January 1, 2022, exempt from federal income
7 taxation pursuant to Section 501(c) of the Internal Revenue Code of
8 1986, as amended, the principal functions of which are to provide
9 assistance to natural persons following a disaster, with program
10 emphasis on repair or restoration to single-family residential
11 dwellings or the construction of a replacement single-family
12 residential dwelling. As used in this paragraph, "disaster" means
13 damage to property with or without accompanying injury to persons
14 from heavy rain, high winds, tornadic winds, drought, wildfire,
15 snow, ice, geologic disturbances, explosions, chemical accidents or
16 spills, and other events causing damage to property on a large
17 scale. For purposes of this paragraph, an entity that expended at
18 least seventy-five percent (75%) of its funds on the restoration to
19 single-family housing following a disaster including related general
20 and administrative expenses, shall be eligible for the exemption
21 authorized by this paragraph;

22 83. Effective November 1, 2021, through December 31, 2024,
23 sales of tangible personal property or services to a museum that:

- 1 a. operates as a part of an organization which is exempt
2 from taxation pursuant to the provisions of the
3 Internal Revenue Code of 1986, as amended, 26 U.S.C.,
4 Section 501(c) (3),
5 b. is not accredited by the American Alliance of Museums,
6 and
7 c. operates on an annual budget of less than One Million
8 Dollars (\$1,000,000.00);

9 84. Until July 1, 2022, sales of tangible personal property or
10 services for use in a clinical practice or medical facility operated
11 by an organization which is exempt from taxation pursuant to the
12 provisions of the Internal Revenue Code of 1986, as amended, of the
13 United States, 26 U.S.C., Section 501(c) (3), and which has entered
14 into a joint operating agreement with the University Hospitals Trust
15 created pursuant to Section 3224 of Title 63 of the Oklahoma
16 Statutes. The exemption provided by this paragraph shall be limited
17 to the purchase of tangible personal property and services for use
18 in clinical practices or medical facilities acquired or leased by
19 the organization from the University Hospitals Authority, University
20 Hospitals Trust, or the University of Oklahoma on or after June 1,
21 2021;

22 85. Sales of tangible personal property or services to or by a
23 women's veterans organization, and its subchapters in this state,
24 that is exempt from taxation pursuant to the provisions of the

1 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
2 501(c)(19) and is known as the Oklahoma Women Veterans Organization;
3 86. Sales of tangible personal property or services to a
4 nonprofit entity, organized pursuant to Oklahoma law before January
5 1, 2019, exempt from federal income taxation pursuant to Section
6 501(c) of the Internal Revenue Code of 1986, as amended, the
7 principal functions of which are to provide assistance to natural
8 persons following a disaster, with program emphasis on repair or
9 restoration to single-family residential dwellings or the
10 construction of a replacement single-family residential dwelling.
11 For purposes of this paragraph, an entity operated exclusively for
12 charitable and educational purposes through the coordination of
13 volunteers for the disaster recovery of homes (as derived from Part
14 III, Statement of Program Services, of Internal Revenue Service Form
15 990) and which offers its services free of charge to disaster
16 survivors statewide who are low income with no or limited means of
17 recovery on their own for the restoration to single-family housing
18 following a disaster including related general and administrative
19 expenses, shall be eligible for the exemption authorized by this
20 paragraph. The exemption provided by this paragraph shall only be
21 applicable to sales made on or after ~~the effective date of this act~~
22 July 1, 2022. As used in this paragraph, "disaster" means damage to
23 property with or without accompanying injury to persons from heavy
24 rain, high winds, tornadic winds, drought, wildfire, snow, ice,

1 geologic disturbances, explosions, chemical accidents or spills and
2 other events causing damage to property on a large scale; and

3 87. Effective July 1, 2022, sales of tangible personal property
4 or services to an organization which is exempt from taxation
5 pursuant to the provisions of the Internal Revenue Code of 1986, as
6 amended, 26 U.S.C., Section 501(c)(3) and which provides support to
7 veterans, active duty members of the Armed Forces, reservists, and
8 members of the National Guard to assist with the transition to
9 civilian life and which provides documentation to the Oklahoma Tax
10 Commission that over seventy percent (70%) of its revenue is
11 expended on support for transition to civilian life; and

12 88. Sales of tangible personal property or services to or by an
13 organization in this state which:

14 a. is exempt from taxation pursuant to the provisions of
15 the Internal Revenue Code of 1986, as amended, 26
16 U.S.C., Section 501(c)(3), and

17 b. provides documentation to the Oklahoma Tax Commission
18 showing the organization's principal purpose is to
19 provide school supplies or articles of clothing for
20 underserved students attending grades prekindergarten
21 through twelve at public schools in this state.

22 SECTION 2. This act shall become effective November 1, 2025.

23 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
24 March 5, 2025 - DO PASS AS AMENDED