

1 STATE OF OKLAHOMA

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

3 SENATE BILL 44

By: Rader

6 AS INTRODUCED

7 An Act relating to sales tax; amending 68 O.S. 2021,
8 Section 1356, as last amended by Section 148, Chapter
9 452, O.S.L. 2024 (68 O.S. Supp. 2024, Section 1356),
which relates to sales tax exemption; providing
exemption to entities in performance of a contract
with an exempt entity; updating statutory language;
and providing an effective date.

11
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1356, as
14 last amended by Section 148, Chapter 452, O.S.L. 2024 (68 O.S. Supp.
15 2024, Section 1356), is amended to read as follows:

16 Section 1356. Exemptions - Governmental and nonprofit entities.
17 There are hereby specifically exempted from the tax levied by
18 Section 1350 et seq. of this title:

19 A. The exemptions for sales of tangible personal property or
20 services to entities provided by subsection B of this section shall
21 apply to sales to the exempt entity as well as to sales to any
22 contractor with whom the exempt entity has entered into a contract
23 necessary for carrying out such contract and sales to any

1 subcontractor to the contract. Any contractor or subcontractor
2 making purchases necessary for carrying out the contract may present
3 a copy of the exemption letter or card issued to the exempt entity
4 by the Oklahoma Tax Commission and documentation indicating the
5 contractual relationship between the contractor and the entity to
6 the vendor and the vendor shall retain such documentation as
7 certification that the purchase is exempt as provided in this
8 section.

9 B. 1. Sale of tangible personal property or services to the
10 United States government or to this state, any political subdivision
11 of this state, or any agency of a political subdivision of this
12 state; provided, all sales to contractors in connection with the
13 performance of any contract with the United States government, this
14 state, or any of its political subdivisions shall not be exempted
15 from the tax levied by Section 1350 et seq. of this title, except as
16 hereinafter provided;

17 2. Sales of property to agents appointed by or under contract
18 with agencies or instrumentalities of the United States government
19 if ownership and possession of such property transfers immediately
20 to the United States government;

21 3. Sales of property to agents appointed by or under contract
22 with a political subdivision of this state if the sale of such
23 property is associated with the development of a qualified federal
24 facility, as provided in the Oklahoma Federal Facilities Development

1 Act, and if ownership and possession of such property transfers
2 immediately to the political subdivision or the state;

3 4. Sales made directly by county, district, or state fair
4 authorities of this state, upon the premises of the fair authority,
5 for the sole benefit of the fair authority or sales of admission
6 tickets to such fairs or fair events at any location in the state
7 authorized by county, district, or state fair authorities; provided,
8 the exemption provided by this paragraph for admission tickets to
9 fair events shall apply only to any portion of the admission price
10 that is retained by or distributed to the fair authority. As used
11 in this paragraph, "fair event" shall be limited to an event held on
12 the premises of the fair authority in conjunction with and during
13 the time period of a county, district, or state fair;

14 5. Sale of food in cafeterias or lunchrooms of elementary
15 schools, high schools, colleges, or universities which are operated
16 primarily for teachers and pupils and are not operated primarily for
17 the public or for profit;

18 6. Dues paid to fraternal, religious, civic, charitable, or
19 educational societies or organizations by regular members thereof,
20 provided, such societies or organizations operate under what is
21 commonly termed the lodge plan or system, and provided such
22 societies or organizations do not operate for a profit which inures
23 to the benefit of any individual member or members thereof to the
24 exclusion of other members and dues paid monthly or annually to

1 privately owned scientific and educational libraries by members
2 sharing the use of services rendered by such libraries with students
3 interested in the study of geology, petroleum engineering, or
4 related subjects;

5 7. Sale of tangible personal property or services to or by
6 churches, except sales made in the course of business for profit or
7 savings, competing with other persons engaged in the same, or a
8 similar business or sale of tangible personal property or services
9 by an organization exempt from federal income tax pursuant to
10 Section 501(c)(3) of the Internal Revenue Code of 1986, as amended,
11 made on behalf of or at the request of a church or churches if the
12 sale of such property is conducted not more than once each calendar
13 year for a period not to exceed three (3) days by the organization
14 and proceeds from the sale of such property are used by the church
15 or churches or by the organization for charitable purposes;

16 8. The amount of proceeds received from the sale of admission
17 tickets which is separately stated on the ticket of admission for
18 the repayment of money borrowed by any accredited state-supported
19 college or university or any public trust of which a county in this
20 state is the beneficiary, for the purpose of constructing or
21 enlarging any facility to be used for the staging of an athletic
22 event, a theatrical production, or any other form of entertainment,
23 edification or cultural cultivation to which entry is gained with a
24 paid admission ticket. Such facilities include, but are not limited

1 to, athletic fields, athletic stadiums, field houses, amphitheaters,
2 and theaters. To be eligible for this sales tax exemption, the
3 amount separately stated on the admission ticket shall be a
4 surcharge which is imposed, collected, and used for the sole purpose
5 of servicing or aiding in the servicing of debt incurred by the
6 college or university to effect the capital improvements
7 hereinbefore described;

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

12 10. Sale of tangible personal property or services to any
county, municipality, rural water district, public school district,
14 city-county library system, the institutions of The Oklahoma State
15 System of Higher Education, the Grand River Dam Authority, the
16 Northeast Oklahoma Public Facilities Authority, the Oklahoma
17 Municipal Power Authority, City of Tulsa-Rogers County Port
18 Authority, Muskogee City-County Port Authority, the Oklahoma
19 Department of Veterans Affairs, the Broken Bow Economic Development
20 Authority, Ardmore Development Authority, Durant Industrial
21 Authority, Oklahoma Ordnance Works Authority, Central Oklahoma
22 Master Conservancy District, Arbuckle Master Conservancy District,
23 Fort Cobb Reservoir Master Conservancy District, Foss Reservoir
24 Master Conservancy District, Mountain Park Master Conservancy

1 District, Waurika Lake Master Conservancy District and the Office of
2 Management and Enterprise Services only when carrying out a public
3 construction contract on behalf of the Oklahoma Department of
4 Veterans Affairs, and effective July 1, 2022, the University
5 Hospitals Trust, or to any person with whom any of the above-named
6 subdivisions or agencies of this state has duly entered into a
7 public contract pursuant to law, necessary for carrying out such
8 public contract or to any subcontractor to such a public contract.
9 Any person making purchases on behalf of such subdivision or agency
10 of this state shall certify, in writing, on the copy of the invoice
11 or sales ticket to be retained by the vendor that the purchases are
12 made for and on behalf of such subdivision or agency of this state
13 and set out the name of such public subdivision or agency. Any
14 person who wrongfully or erroneously certifies that purchases are
15 for any of the above-named subdivisions or agencies of this state or
16 who otherwise violates this section shall be guilty of a misdemeanor
17 and upon conviction thereof shall be fined an amount equal to double
18 the amount of sales tax involved or incarcerated for not more than
19 sixty (60) days or both;

20 11. Sales of tangible personal property or services to private
21 institutions of higher education and private elementary and
22 secondary institutions of education accredited by the State
23 Department of Education or registered by the State Board of
24 Education for purposes of participating in federal programs or

1 accredited as defined by the Oklahoma State Regents for Higher
2 Education which are exempt from taxation pursuant to the provisions
3 of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
4 501(c)(3) including materials, supplies, and equipment used in the
5 construction and improvement of buildings and other structures owned
6 by the institutions and operated for educational purposes.

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

12 12. Tuition and educational fees paid to private institutions
13 of higher education and private elementary and secondary
14 institutions of education accredited by the State Department of
15 Education or registered by the State Board of Education for purposes
16 of participating in federal programs or accredited as defined by the
17 Oklahoma State Regents for Higher Education which are exempt from
18 taxation pursuant to the provisions of the Internal Revenue Code of
19 1986, as amended, 26 U.S.C., Section 501(c)(3);

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

- 21 (1) a public school,
- 22 (2) a private school offering instruction for grade
23 levels kindergarten through twelfth grade,
- 24 (3) a public school district,

- (4) a public or private school board,
 - (5) a public or private school student group or organization,
 - (6) a parent-teacher association or organization other than as specified in subparagraph b of this paragraph, or
 - (7) public or private school personnel for purposes of raising funds for the benefit of a public or private school, public school district, public or private school board, or public or private school student group or organization, or

b. Sales of tangible personal property made by or to nonprofit parent-teacher associations or organizations exempt from taxation pursuant to the provisions of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c)(3), nonprofit local public or private school foundations which solicit money or property in the name of any public or private school or public school district.

The exemption provided by this paragraph for sales made by a public or private school shall be limited to those public or private schools accredited by the State Department of Education or registered by the State Board of Education for purposes of participating in federal programs. Sale of tangible personal

1 property in this paragraph shall include sale of admission tickets
2 and concessions at athletic events;

3 14. Sales of tangible personal property by:

- 4 a. local 4-H clubs,
5 b. county, regional or state 4-H councils,
6 c. county, regional or state 4-H committees,
7 d. 4-H leader associations,
8 e. county, regional or state 4-H foundations, and
9 f. authorized 4-H camps and training centers.

10 The exemption provided by this paragraph shall be limited to
11 sales for the purpose of raising funds for the benefit of such
12 organizations. Sale of tangible personal property exempted by this
13 paragraph shall include sale of admission tickets;

14 15. The first Seventy-five Thousand Dollars (\$75,000.00) each
15 year from sale of tickets and concessions at athletic events by each
16 organization exempt from taxation pursuant to the provisions of the
17 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
18 501(c)(4);

19 16. Sales of tangible personal property or services to any
20 person with whom the Oklahoma Tourism and Recreation Department has
21 entered into a public contract and which is necessary for carrying
22 out such contract to assist the Department in the development and
23 production of advertising, promotion, publicity, and public
24 relations programs;

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

14 18. Complimentary or free tickets for admission to places of
15 amusement, sports, entertainment, exhibition, display, or other
16 recreational events or activities which are issued through a box
17 office or other entity which is operated by a state institution of
18 higher education with institutional employees or by a municipality
19 with municipal employees;

20 19. The first Fifteen Thousand Dollars (\$15,000.00) each year
21 from sales of tangible personal property by fire departments
22 organized pursuant to Title 11, 18, or 19 of the Oklahoma Statutes
23 for the purposes of raising funds for the benefit of the fire
24 department. Fire departments selling tangible personal property for

1 the purposes of raising funds shall be limited to no more than six
2 (6) days each year to raise such funds in order to receive the
3 exemption granted by this paragraph;

4 20. Sales of tangible personal property or services to any Boys
5 & Girls Clubs of America affiliate in this state which is not
6 affiliated with the Salvation Army and 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);

9 21. Sales of tangible personal property or services to any
10 organization, which takes court-adjudicated juveniles for purposes
11 of rehabilitation, and which is exempt from taxation pursuant to the
12 provisions of the Internal Revenue Code of 1986, as amended, 26
13 U.S.C., Section 501(c)(3), provided that at least fifty percent
14 (50%) of the juveniles served by such organization are court
15 adjudicated and the organization receives state funds in an amount
16 less than ten percent (10%) of the annual budget of the
17 organization;

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

- 19 a. any health center as defined in Section 254b of Title
20 42 of the United States Code,
- 21 b. any clinic receiving disbursements of state monies
22 from the Indigent Health Care Revolving Fund pursuant
23 to the provisions of Section 66 of Title 56 of the
24 Oklahoma Statutes,

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

- 3 (1) provides primary care services at no cost to the
4 recipient, and
5 (2) is exempt from taxation pursuant to the
6 provisions of Section 501(c)(3) of the Internal
7 Revenue Code of 1986, as amended, 26 U.S.C.,
8 Section 501(c)(3), and

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

11 23. Dues or fees including free or complimentary dues or fees
12 which have a value equivalent to the charge that could have
13 otherwise been made, to YMCAs, YWCAs, or municipally-owned
14 recreation centers for the use of facilities and programs;

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

22 25. Sales of tangible personal property or services to museums
23 or other entities which have been accredited by the American
24 Association Alliance of Museums. Any person making purchases on

1 behalf of any such museum or other entity shall certify, in writing,
2 on the copy of the invoice or sales ticket to be retained by the
3 vendor that the purchases are made for and on behalf of such museum
4 or other entity and set out the name of such museum or other entity.

5 Any person who wrongfully or erroneously certifies that the
6 purchases are for any such museum or other entity or who otherwise
7 violates the provisions of this paragraph shall be deemed guilty of
8 a misdemeanor and, upon conviction thereof, shall be fined an amount
9 equal to double the amount of sales tax involved or incarcerated for
10 not more than sixty (60) days, or by both such fine and
11 incarceration;

12 26. Sales of tickets for admission by any museum accredited by
13 the American ~~Association~~ Alliance of Museums. In order to be
14 eligible for the exemption provided by this paragraph, an amount
15 equivalent to the amount of the tax which would otherwise be
16 required to be collected pursuant to the provisions of Section 1350
17 et seq. of this title shall be separately stated on the admission
18 ticket and shall be collected and used for the sole purpose of
19 servicing or aiding in the servicing of debt incurred by the museum
20 to effect the construction, enlarging or renovation of any facility
21 to be used for entertainment, edification, or cultural cultivation
22 to which entry is gained with a paid admission ticket;

23 27. Sales of tangible personal property or services occurring
24 on or after June 1, 1995, to children's homes which are supported or
25

1 sponsored by one or more churches, members of which serve as
2 trustees of the home;

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

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

9 30. a. Until July 1, 2022, transfer of tangible personal
10 property made pursuant to Section 3226 of Title 63 of
11 the Oklahoma Statutes by the University Hospitals
12 Trust, and

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

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

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

1 31. Sales of tangible personal property or services to a
2 municipality, county, or school district pursuant to a lease or
3 lease-purchase agreement executed between the vendor and a
4 municipality, county, or school district. A copy of the lease or
5 lease-purchase agreement shall be retained by the vendor;

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

9 33. The sale, use, storage, consumption, or distribution in
10 this state, whether by the importer, exporter, or another person, of
11 any satellite or any associated launch vehicle including components
12 of, and parts and motors for, any such satellite or launch vehicle,
13 imported or caused to be imported into this state for the purpose of
14 export by means of launching into space. This exemption provided by
15 this paragraph shall not be affected by:

- 16 a. the destruction in whole or in part of the satellite
17 or launch vehicle,
- 18 b. the failure of a launch to occur or be successful, or
- 19 c. the absence of any transfer or title to, or possession
20 of, the satellite or launch vehicle after launch;

21 34. The sale, lease, use, storage, consumption, or distribution
22 in this state of any space facility, space propulsion system or
23 space vehicle, satellite, or station of any kind possessing space
24 flight capacity including components thereof;

1 35. The sale, lease, use, storage, consumption, or distribution
2 in this state of tangible personal property, placed on or used
3 aboard any space facility, space propulsion system or space vehicle,
4 satellite, or station possessing space flight capacity, which is
5 launched into space, irrespective of whether such tangible property
6 is returned to this state for subsequent use, storage, or
7 consumption in any manner;

8 36. The sale, lease, use, storage, consumption, or distribution
9 in this state of tangible personal property meeting the definition
10 of "section 38 property" as defined in Sections 48(a)(1)(A) and
11 (B)(i) of the Internal Revenue Code of 1986, as amended, that is an
12 integral part of and used primarily in support of space flight;
13 however, section 38 property used in support of space flight shall
14 not include general office equipment, any boat, mobile home, motor
15 vehicle, or other vehicle of a class or type required to be
16 registered, licensed, titled or documented in this state or by the
17 United States government, or any other property not specifically
18 suited to supporting space activity. The term "in support of space
19 flight", for purposes of this paragraph, means the altering,
20 monitoring, controlling, regulating, adjusting, servicing, or
21 repairing of any space facility, space propulsion systems or space
22 vehicle, satellite, or station possessing space flight capacity
23 including the components thereof;

1 37. The purchase or lease of machinery and equipment for use at
2 a fixed location in this state, which is used exclusively in the
3 manufacturing, processing, compounding, or producing of any space
4 facility, space propulsion system or space vehicle, satellite, or
5 station of any kind possessing space flight capacity. Provided, the
6 exemption provided for in this paragraph shall not be allowed unless
7 the purchaser or lessee signs an affidavit stating that the item or
8 items to be exempted are for the exclusive use designated herein.

9 Any person furnishing a false affidavit to the vendor for the
10 purpose of evading payment of any tax imposed by Section 1354 of
11 this title shall be subject to the penalties provided by law. As
12 used in this paragraph, "machinery and equipment" means "section 38
13 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the
14 Internal Revenue Code of 1986, as amended, which is used as an
15 integral part of the manufacturing, processing, compounding, or
16 producing of items of tangible personal property. Such term
17 includes parts and accessories only to the extent that the exemption
18 thereof is consistent with the provisions of this paragraph;

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

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

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

10 41. Sales of tangible personal property or services for use on
11 campus or school construction projects for the benefit of
12 institutions of The Oklahoma State System of Higher Education,
13 private institutions of higher education accredited by the Oklahoma
14 State Regents for Higher Education, or any public school or school
15 district when such projects are financed by or through the use of
16 nonprofit entities which are 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);

19 42. Sales of tangible personal property or services 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), in the course of conducting a national
23 championship sports event, but only if all or a portion of the
24 payment in exchange therefor would qualify as the receipt of a

1 qualified sponsorship payment described in Internal Revenue Code of
2 1986, as amended, 26 U.S.C., Section 513(i). Sales exempted
3 pursuant to this paragraph shall be exempt from all Oklahoma sales,
4 use, excise, and gross receipts taxes;

5 43. Sales of tangible personal property or services to or by an
6 organization which:

- 7 a. is exempt from taxation pursuant to the provisions of
8 the Internal Revenue Code of 1986, as amended, 26
9 U.S.C., Section 501(c) (3),
- 10 b. is affiliated with a comprehensive university within
11 The Oklahoma State System of Higher Education, and
- 12 c. has been organized primarily for the purpose of
13 providing education and teacher training and
14 conducting events relating to robotics;

15 44. The first Fifteen Thousand Dollars (\$15,000.00) each year
16 from sales of tangible personal property to or by youth athletic
17 teams which are part of an athletic organization exempt from
18 taxation pursuant to the provisions of the Internal Revenue Code of
19 1986, as amended, 26 U.S.C., Section 501(c) (4), for the purposes of
20 raising funds for the benefit of the team;

21 45. Sales of tickets for admission to a collegiate athletic
22 event that is held in a facility owned or operated by a municipality
23 or a public trust of which the municipality is the sole beneficiary
24 and that actually determines or is part of a tournament or

1 tournament process for determining a conference tournament
2 championship, a conference championship, or a national championship;

3 46. Sales of tangible personal property or services to or by an
4 organization which is exempt from taxation pursuant to the
5 provisions of the Internal Revenue Code of 1986, as amended, 26
6 U.S.C., Section 501(c)(3) and is operating the Oklahoma City
7 National Memorial and Museum, an affiliate of the National Park
8 System;

9 47. Sales of tangible personal property or services to
10 organizations which are exempt from federal taxation pursuant to the
11 provisions of Section 501(c)(3) of the Internal Revenue Code of
12 1986, as amended, 26 U.S.C., Section 501(c)(3), the memberships of
13 which are limited to honorably discharged veterans, and which
14 furnish financial support to area veterans' organizations to be used
15 for the purpose of constructing a memorial or museum;

16 48. Sales of tangible personal property or services on or after
17 January 1, 2003, to an organization 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) that is expending monies
20 received from a private foundation grant in conjunction with
21 expenditures of local sales tax revenue to construct a local public
22 library;

23 49. Sales of tangible personal property or services to a state
24 that borders this state or any political subdivision of that state,
25

1 but only to the extent that the other state or political subdivision
2 exempts or does not impose a tax on similar sales of items to this
3 state or a political subdivision of this state;

4 50. Effective July 1, 2005, sales of tangible personal property
5 or services to the ~~Career Technology Student Organizations~~ career
6 technology student organizations under the direction and supervision
7 of the Oklahoma Department of Career and Technology Education;

8 51. Sales of tangible personal property to a public trust
9 having either a single city, town or county or multiple cities,
10 towns or counties, or combination thereof as beneficiary or
11 beneficiaries or a nonprofit organization which is exempt from
12 taxation pursuant to the provisions of the Internal Revenue Code of
13 1986, as amended, 26 U.S.C., Section 501(c)(3) for the purpose of
14 constructing improvements to or expanding a hospital or nursing home
15 owned and operated by any such public trust or nonprofit entity
16 prior to July 1, 2008, in counties with a population of less than
17 one hundred thousand (100,000) persons, according to the most recent
18 Federal Decennial Census. As used in this paragraph, "constructing
19 improvements to or expanding" shall not mean any expense for routine
20 maintenance or general repairs and shall require a project cost of
21 at least One Hundred Thousand Dollars (\$100,000.00). For purposes
22 of this paragraph, sales made to a contractor or subcontractor that
23 enters into a contractual relationship with a public trust or
24 nonprofit entity as described by this paragraph shall be considered

1 sales made to the public trust or nonprofit entity. The exemption
2 authorized by this paragraph shall be administered in the form of a
3 refund from the sales tax revenues apportioned pursuant to Section
4 1353 of this title and the vendor shall be required to collect the
5 sales tax otherwise applicable to the transaction. The purchaser
6 may apply for a refund of the sales tax paid in the manner
7 prescribed by this paragraph. Within thirty (30) days after the end
8 of each fiscal year, any purchaser that is entitled to make
9 application for a refund based upon the exempt treatment authorized
10 by this paragraph may file an application for refund of the sales
11 taxes paid during such preceding fiscal year. The Oklahoma Tax
12 Commission shall prescribe a form for purposes of making the
13 application for refund. The Tax Commission shall determine whether
14 or not the total amount of sales tax exemptions claimed by all
15 purchasers is equal to or less than Six Hundred Fifty Thousand
16 Dollars (\$650,000.00). If such claims are less than or equal to
17 that amount, the Tax Commission shall make refunds to the purchasers
18 in the full amount of the documented and verified sales tax amounts.
19 If such claims by all purchasers are in excess of Six Hundred Fifty
20 Thousand Dollars (\$650,000.00), the Tax Commission shall determine
21 the amount of each purchaser's claim, the total amount of all claims
22 by all purchasers, and the percentage each purchaser's claim amount
23 bears to the total. The resulting percentage determined for each
24 purchaser shall be multiplied by Six Hundred Fifty Thousand Dollars

1 (\$650,000.00) to determine the amount of refundable sales tax to be
2 paid to each purchaser. The pro rata refund amount shall be the
3 only method to recover sales taxes paid during the preceding fiscal
4 year and no balance of any sales taxes paid on a pro rata basis
5 shall be the subject of any subsequent refund claim pursuant to this
6 paragraph;

7 52. Effective July 1, 2006, sales of tangible personal property
8 or services to any organization which assists, trains, educates, and
9 provides housing for physically and mentally ~~handicapped~~ disabled
10 persons and which is exempt from taxation pursuant to the provisions
11 of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
12 501(c) (3) and that receives at least eighty-five percent (85%) of
13 its annual budget from state or federal funds. In order to receive
14 the benefit of the exemption authorized by this paragraph, the
15 taxpayer shall be required to make payment of the applicable sales
16 tax at the time of sale to the vendor in the manner otherwise
17 required by law. Notwithstanding any other provision of the
18 Oklahoma Uniform Tax Procedure Code to the contrary, the taxpayer
19 shall be authorized to file a claim for refund of sales taxes paid
20 that qualify for the exemption authorized by this paragraph for a
21 period of one (1) year after the date of the sale transaction. The
22 taxpayer shall be required to provide documentation as may be
23 prescribed by the Oklahoma Tax Commission in support of the refund
24 claim. The total amount of sales tax qualifying for exempt

1 treatment pursuant to this paragraph shall not exceed One Hundred
2 Seventy-five Thousand Dollars (\$175,000.00) each fiscal year.
3 Claims for refund shall be processed in the order in which such
4 claims are received by the Oklahoma Tax Commission. If a claim
5 otherwise timely filed exceeds the total amount of refunds payable
6 for a fiscal year, such claim shall be barred;

7 53. The first Two Thousand Dollars (\$2,000.00) each year of
8 sales of tangible personal property or services to, by, or for the
9 benefit of a qualified neighborhood watch organization that is
10 endorsed or supported by or working directly with a law enforcement
11 agency with jurisdiction in the area in which the neighborhood watch
12 organization is located. As used in this paragraph, "qualified
13 neighborhood watch organization" means an organization that is a
14 not-for-profit corporation under the laws of this state that was
15 created to help prevent criminal activity in an area through
16 community involvement and interaction with local law enforcement and
17 which is one of the first two thousand organizations which makes
18 application to the Oklahoma Tax Commission for the exemption after
19 March 29, 2006;

20 54. Sales of tangible personal property to a nonprofit
21 organization, exempt from taxation pursuant to the provisions of the
22 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
23 501(c)(3), organized primarily for the purpose of providing services
24 to homeless persons during the day and located in a metropolitan

1 area with a population in excess of five hundred thousand (500,000)
2 persons according to the latest Federal Decennial Census. The
3 exemption authorized by this paragraph shall be applicable to sales
4 of tangible personal property to a qualified entity occurring on or
5 after January 1, 2005;

6 55. Sales of tangible personal property or services to or 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) for events the principal purpose of which
10 is to provide funding for the preservation of wetlands and habitat
11 for wild ducks;

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

18 57. Sales of tangible personal property or services to an
19 organization which:

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

1 b. is part of a network of community-based, autonomous
2 member organizations that meets the following
3 criteria:

- 4 (1) serves people with workplace disadvantages and
5 disabilities by providing job training and
6 employment services, as well as job placement
7 opportunities and post-employment support,
8 (2) has locations in the United States and at least
9 twenty other countries,
10 (3) collects donated clothing and household goods to
11 sell in retail stores and provides contract labor
12 services to business and government, and
13 (4) provides documentation to the Oklahoma Tax
14 Commission that over seventy-five percent (75%)
15 of its revenues are channeled into employment,
16 job training and placement programs, and other
17 critical community services;

18 58. Sales of tickets made on or after September 21, 2005, and

19 complimentary or free tickets for admission issued on or after
20 September 21, 2005, which have a value equivalent to the charge that
21 would have otherwise been made, for admission to a professional
22 athletic event in which a team in the National Basketball
23 Association is a participant, which is held in a facility owned or
24 operated by a municipality, a county, or a public trust of which a

1 municipality or a county is the sole beneficiary, and sales of
2 tickets made on or after July 1, 2007, and complimentary or free
3 tickets for admission issued on or after July 1, 2007, which have a
4 value equivalent to the charge that would have otherwise been made,
5 for admission to a professional athletic event in which a team in
6 the National Hockey League is a participant, which is held in a
7 facility owned or operated by a municipality, a county, or a public
8 trust of which a municipality or a county is the sole beneficiary;

9 59. Sales of tickets for admission and complimentary or free
10 tickets for admission which have a value equivalent to the charge
11 that would have otherwise been made to a professional sporting event
12 involving ice hockey, baseball, basketball, football or arena
13 football, or soccer. As used in this paragraph, "professional
14 sporting event" means an organized athletic competition between
15 teams that are members of an organized league or association with
16 centralized management, other than a national league or national
17 association, that imposes requirements for participation in the
18 league upon the teams, the individual athletes, or both, and which
19 uses a salary structure to compensate the athletes;

20 60. Sales of tickets for admission to an annual event sponsored
21 by an educational and charitable organization of women which is
22 exempt from taxation pursuant to the provisions of the Internal
23 Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c)(3) and
24 has as its mission promoting volunteerism, developing the potential

1 of women and improving the community through the effective action
2 and leadership of trained volunteers;

3 61. Sales of tangible personal property or services to an
4 organization, which is exempt from taxation pursuant to the
5 provisions of the Internal Revenue Code of 1986, as amended, 26
6 U.S.C., Section 501(c)(3), and which is itself a member of 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), if the membership organization is
10 primarily engaged in advancing the purposes of its member
11 organizations through fundraising, public awareness, or other
12 efforts for the benefit of its member organizations, and if the
13 member organization is primarily engaged either in providing
14 educational services and programs concerning health-related diseases
15 and conditions to individuals suffering from such health-related
16 diseases and conditions or their caregivers and family members or
17 support to such individuals, or in health-related research as to
18 such diseases and conditions, or both. In order to qualify for the
19 exemption authorized by this paragraph, the member nonprofit
20 organization shall be required to provide proof to the Oklahoma Tax
21 Commission of its membership status in the membership organization;

22 62. Sales of tangible personal property or services to or by an
23 organization which is part of a national volunteer women's service
24 organization dedicated to promoting patriotism, preserving American

1 history, and securing better education for children and which has at
2 least ~~168,000~~ one hundred sixty-eight thousand members in ~~3,000~~
3 three thousand chapters across the United States;

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

8 64. Sales of tangible personal property or services to or by a
9 veteran's organization 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)(19) and which is known as the Veterans of
12 Foreign Wars of the United States, Oklahoma Chapters;

13 65. Sales of boxes of food by a church or by an organization,
14 which is exempt from taxation pursuant to the provisions of the
15 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
16 501(c)(3). To qualify under the provisions of this paragraph, the
17 organization must be organized for the primary purpose of feeding
18 needy individuals or to encourage volunteer service by requiring
19 such service in order to purchase food. These boxes shall only
20 contain edible staple food items;

21 66. Sales of tangible personal property or services to any
22 person with whom a church has duly entered into a construction
23 contract, necessary for carrying out such contract or to any
24 subcontractor to such a construction contract;

1 67. Sales of tangible personal property or services used
2 exclusively for charitable or educational purposes, to or by an
3 organization which:

- 4 a. is exempt from taxation pursuant to the provisions of
5 the Internal Revenue Code of 1986, as amended, 26
6 U.S.C., Section 501(c)(3),
7 b. has filed a Not-for-Profit Certificate of
8 Incorporation in this state, and
9 c. is organized for the purpose of:
10 (1) providing training and education to
11 developmentally disabled individuals,
12 (2) educating the community about the rights,
13 abilities, and strengths of developmentally
14 disabled individuals, and
15 (3) promoting unity among developmentally disabled
16 individuals in their community and geographic
17 area;

18 68. Sales of tangible personal property or services to any
19 organization which is a shelter for abused, neglected, or abandoned
20 children and 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); provided, until July 1, 2008, such
23 exemption shall apply only to eligible shelters for children from
24 birth to age twelve (12) and after July 1, 2008, such exemption

1 shall apply to eligible shelters for children from birth to age
2 eighteen (18);

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

- 6 a. possesses a 3-star rating from the Department of Human
7 Services Reaching for the Stars Program or a national
8 accreditation, and
- 9 b. allows on-site universal prekindergarten education to
10 be provided to four-year-old children through a
11 contractual agreement with any public school or school
12 district.

13 For the purposes of this paragraph, sales made to any person,
14 firm, agency, or entity that has entered previously into a
15 contractual relationship with a child care center for construction
16 and improvement of buildings and other structures owned by the child
17 care center and operated for educational purposes shall be
18 considered sales made to a child care center. Any such person,
19 firm, agency, or entity making purchases on behalf of a child care
20 center shall certify, in writing, on the copy of the invoice or
21 sales ticket the nature of the purchase. Any such person, or person
22 acting on behalf of a firm, agency, or entity making purchases on
23 behalf of a child care center in violation of this paragraph shall
24 be guilty of a misdemeanor and upon conviction thereof shall be

1 fined an amount equal to double the amount of sales tax involved or
2 incarcerated for not more than sixty (60) days or both;

3 70. a. Sales of tangible personal property to a service
4 organization of mothers who have children who are
5 serving or who have served in the military, which
6 service organization is exempt from taxation pursuant
7 to the provisions of the Internal Revenue Code of
8 1986, as amended, 26 U.S.C., Section 501(c)(19) and
9 which is known as the Blue Star Mothers of America,
10 Inc. The exemption provided by this paragraph shall
11 only apply to the purchase of tangible personal
12 property actually sent to United States military
13 personnel overseas who are serving in a combat zone
14 and not to any other tangible personal property
15 purchased by the organization. Provided, this
16 exemption shall not apply to any sales tax levied by a
17 city, town, county, or any other jurisdiction in this
18 state.

19 b. The exemption authorized by this paragraph shall be
20 administered in the form of a refund from the sales
21 tax revenues apportioned pursuant to Section 1353 of
22 this title, and the vendor shall be required to
23 collect the sales tax otherwise applicable to the
24 transaction. The purchaser may apply for a refund of

1 the state sales tax paid in the manner prescribed by
2 this paragraph. Within sixty (60) days after the end
3 of each calendar quarter, any purchaser that is
4 entitled to make application for a refund based upon
5 the exempt treatment authorized by this paragraph may
6 file an application for refund of the state sales
7 taxes paid during such preceding calendar quarter.

8 The Tax Commission shall prescribe a form for purposes
9 of making the application for refund.

10 c. A purchaser who applies for a refund pursuant to this
11 paragraph shall certify that the items were actually
12 sent to military personnel overseas in a combat zone.
13 Any purchaser that applies for a refund for the
14 purchase of items that are not authorized for
15 exemption under this paragraph shall be subject to a
16 penalty in the amount of Five Hundred Dollars
17 (\$500.00);

18 71. Sales of food and snack items to or by an organization
19 which is exempt from taxation pursuant to the provisions of the
20 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
21 501(c)(3), whose primary and principal purpose is providing funding
22 for scholarships in the medical field;

23 72. Sales of tangible personal property or services for use
24 solely on construction projects for organizations which are exempt

1 from taxation pursuant to the provisions of the Internal Revenue
2 Code of 1986, as amended, 26 U.S.C., Section 501(c)(3) and whose
3 purpose is providing end-of-life care and access to hospice services
4 to low-income individuals who live in a facility owned by the
5 organization. The exemption provided by this paragraph applies to
6 sales to the organization as well as to sales to any person with
7 whom the organization has duly entered into a construction contract,
8 necessary for carrying out such contract or to any subcontractor to
9 such a construction contract. Any person making purchases on behalf
10 of such organization shall certify, in writing, on the copy of the
11 invoice or sales ticket to be retained by the vendor that the
12 purchases are made for and on behalf of such organization and set
13 out the name of such organization. Any person who wrongfully or
14 erroneously certifies that purchases are for any of the above-named
15 organizations or who otherwise violates this section shall be guilty
16 of a misdemeanor and upon conviction thereof shall be fined an
17 amount equal to double the amount of sales tax involved or
18 incarcerated for not more than sixty (60) days or both;

19 73. Sales of tickets for admission to events held by
20 organizations exempt from taxation pursuant to the provisions of the
21 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
22 501(c)(3) that are organized for the purpose of supporting general
23 hospitals licensed by the State Department of Health;

24 74. Sales of tangible personal property or services:

- 1 a. to a foundation which is exempt from taxation pursuant
2 to the provisions of the Internal Revenue Code of
3 1986, as amended, 26 U.S.C., Section 501(c)(3) and
4 which raises tax-deductible contributions in support
5 of a wide range of firearms-related public interest
6 activities of the National Rifle Association of
7 America and other organizations that defend and foster
8 Second Amendment rights, and
9 b. to or by a grassroots fundraising program for sales
10 related to events to raise funds for a foundation
11 meeting the qualifications of subparagraph a of this
12 paragraph;

13 75. Sales by an organization or entity which is exempt from
14 taxation pursuant to the provisions of the Internal Revenue Code of
15 1986, as amended, 26 U.S.C., Section 501(c)(3) which are related to
16 a fundraising event sponsored by the organization or entity when the
17 event does not exceed any five (5) consecutive days and when the
18 sales are not in the organization's or the entity's regular course
19 of business. Provided, the exemption provided in this paragraph
20 shall be limited to tickets sold for admittance to the fundraising
21 event and items which were donated to the organization or entity for
22 sale at the event;

23 76. Effective November 1, 2017, sales of tangible personal
24 property or services to an 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) and operates as a
3 collaborative model which connects community agencies in one
4 location to serve individuals and families affected by violence and
5 where victims have access to services and advocacy at no cost to the
6 victim;

7 77. Effective July 1, 2018, sales of tangible personal property
8 or services to or by an association which is exempt from taxation
9 pursuant to the provisions of the Internal Revenue Code of 1986, as
10 amended, 26 U.S.C., Section 501(c)(19) and which is known as the
11 National Guard Association of Oklahoma;

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

17 79. Sales of tangible personal property or services to the
18 American Legion, whether the purchase is made by the entity
19 chartered by the United States Congress or is an entity organized
20 under the laws of this or another state pursuant to the authority of
21 the national American Legion organization;

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

- 1 a. 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),
4 b. verified with a letter from the MIT Fab Foundation as
5 an official member of the Fab Lab Network in
6 compliance with the Fab Charter, and
7 c. able to provide documentation that its primary and
8 principal purpose is to provide community access to
9 advanced 21st century manufacturing and digital
10 fabrication tools for science, technology,
11 engineering, art and math (STEAM) learning skills,
12 developing inventions, creating and sustaining
13 businesses, and producing personalized products;

14 81. Effective November 1, 2021, sales of tangible personal
15 property or services used solely for construction and remodeling
16 projects to an organization which is exempt from taxation pursuant
17 to the provisions of the Internal Revenue Code of 1986, as amended,
18 26 U.S.C., Section 501(c) (3), and which meets the following
19 requirements:

- 20 a. its primary purpose is to construct or remodel and
21 sell affordable housing and provide homeownership
22 education to residents of Oklahoma that have an income
23 that is below one hundred percent (100%) of the Family

1 Median Income guidelines as defined by the U.S.

2 Department of Housing and Urban Development,

3 b. it conducts its activities in a manner that serves
4 public or charitable purposes, rather than commercial
5 purposes,

6 c. it receives funding and revenue and charges fees in a
7 manner that does not incentivize it or its employees
8 to act other than in the best interests of its
9 clients, and

10 d. it compensates its employees in a manner that does not
11 incentivize employees to act other than in the best
12 interests of its clients;

13 82. Effective November 1, 2021, sales of tangible personal

14 property or services to a nonprofit entity, organized pursuant to

15 Oklahoma law before January 1, 2022, exempt from federal income

16 taxation pursuant to Section 501(c) of the Internal Revenue Code of

17 1986, as amended, the principal functions of which are to provide

18 assistance to natural persons following a disaster, with program

19 emphasis on repair or restoration to single-family residential

20 dwellings or the construction of a replacement single-family

21 residential dwelling. As used in this paragraph, "disaster" means

22 damage to property with or without accompanying injury to persons

23 from heavy rain, high winds, tornadic winds, drought, wildfire,

24 snow, ice, geologic disturbances, explosions, chemical accidents or

1 spills, and other events causing damage to property on a large
2 scale. For purposes of this paragraph, an entity that expended at
3 least seventy-five percent (75%) of its funds on the restoration to
4 single-family housing following a disaster including related general
5 and administrative expenses, shall be eligible for the exemption
6 authorized by this paragraph;

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

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

17 84. Until July 1, 2022, sales of tangible personal property or
18 services for use in a clinical practice or medical facility operated
19 by an organization which is exempt from taxation pursuant to the
20 provisions of the Internal Revenue Code of 1986, as amended, of the
21 United States, 26 U.S.C., Section 501(c)(3), and which has entered
22 into a joint operating agreement with the University Hospitals Trust
23 created pursuant to Section 3224 of Title 63 of the Oklahoma
24 Statutes. The exemption provided by this paragraph shall be limited

1 to the purchase of tangible personal property and services for use
2 in clinical practices or medical facilities acquired or leased by
3 the organization from the University Hospitals Authority, University
4 Hospitals Trust, or the University of Oklahoma on or after June 1,
5 2021;

6 85. Sales of tangible personal property or services to or by a
7 women's veterans organization, and its subchapters in this state,
8 that is exempt from taxation pursuant to the provisions of the
9 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
10 501(c)(19) and is known as the Oklahoma Women Veterans Organization;

11 86. Sales of tangible personal property or services to a
12 nonprofit entity, organized pursuant to Oklahoma law before January
13 1, 2019, exempt from federal income taxation pursuant to Section
14 501(c) of the Internal Revenue Code of 1986, as amended, the
15 principal functions of which are to provide assistance to natural
16 persons following a disaster, with program emphasis on repair or
17 restoration to single-family residential dwellings or the
18 construction of a replacement single-family residential dwelling.

19 For purposes of this paragraph, an entity operated exclusively for
20 charitable and educational purposes through the coordination of
21 volunteers for the disaster recovery of homes (as derived from Part
22 III, Statement of Program Services, of Internal Revenue Service Form
23 990) and which offers its services free of charge to disaster
24 survivors statewide who are low income with no or limited means of

1 recovery on their own for the restoration to single-family housing
2 following a disaster including related general and administrative
3 expenses, shall be eligible for the exemption authorized by this
4 paragraph. The exemption provided by this paragraph shall only be
5 applicable to sales made on or after ~~the effective date of this act~~
6 July 1, 2022. As used in this paragraph, "disaster" means damage to
7 property with or without accompanying injury to persons from heavy
8 rain, high winds, tornadic winds, drought, wildfire, snow, ice,
9 geologic disturbances, explosions, chemical accidents or spills and
10 other events causing damage to property on a large scale; and

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

20 SECTION 2. This act shall become effective November 1, 2025.
21

22 60-1-926

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