

1 ENGROSSED SENATE
2 BILL NO. 59

3 By: Rader of the Senate

4 and

5 Schreiber of the House

6 [sales tax - exemptions - documentation - effective
7 date]

8

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

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

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

13 Section 1356. Exemptions - Governmental and nonprofit entities.

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

16 1. Sale of tangible personal property or services to the United
17 States government or to this state, any political subdivision of
18 this state, or any agency of a political subdivision of this state;
19 provided, all sales to contractors in connection with the
20 performance of any contract with the United States government, this
21 state, or any of its political subdivisions shall not be exempted
22 from the tax levied by Section 1350 et seq. of this title, except as
23 hereinafter provided;

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

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

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

22 5. Sale of food in cafeterias or lunchrooms of elementary
23 schools, high schools, colleges, or universities which are operated
24

1 primarily for teachers and pupils and are not operated primarily for
2 the public or for profit;

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

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

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

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

21 10. Sale of tangible personal property or services to any
22 county, municipality, rural water district, public school district,
23 city-county library system, the institutions of The Oklahoma State
24 System of Higher Education, the Grand River Dam Authority, the

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

1 who otherwise violates this section shall be guilty of a misdemeanor
2 and upon conviction thereof shall be fined an amount equal to double
3 the amount of sales tax involved or incarcerated for not more than
4 sixty (60) days or both;

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

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

21 12. Tuition and educational fees paid to private institutions
22 of higher education and private elementary and secondary
23 institutions of education accredited by the State Department of
24 Education or registered by the State Board of Education for purposes

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

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

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

21 b. Sales of tangible personal property made by or to
22 nonprofit parent-teacher associations or organizations
23 exempt from taxation pursuant to the provisions of the
24 Internal Revenue Code of 1986, as amended, 26 U.S.C.,

1 Section 501(c)(3), nonprofit local public or private
2 school foundations which solicit money or property in
3 the name of any public or private school or public
4 school district.

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

12 14. Sales of tangible personal property by:

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

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

23 15. The first Seventy-five Thousand Dollars (\$75,000.00) each
24 year from sale of tickets and concessions at athletic events by each

1 organization exempt from taxation pursuant to the provisions of the
2 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
3 501(c)(4);

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

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

1 recreational events or activities which are issued through a box
2 office or other entity which is operated by a state institution of
3 higher education with institutional employees or by a municipality
4 with municipal employees;

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

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

18 21. Sales of tangible personal property or services to any
19 organization, which takes court-adjudicated juveniles for purposes
20 of rehabilitation, 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 that at least fifty percent
23 (50%) of the juveniles served by such organization are court
24 adjudicated and the organization receives state funds in an amount

1 less than ten percent (10%) of the annual budget of the
2 organization;

- 3 22. Sales of tangible personal property or services to:
- 4 a. any health center as defined in Section 254b of Title
5 42 of the United States Code,
6 b. any clinic receiving disbursements of state monies
7 from the Indigent Health Care Revolving Fund pursuant
8 to the provisions of Section 66 of Title 56 of the
9 Oklahoma Statutes,
10 c. any community-based health center which meets all of
11 the following criteria:
12 (1) provides primary care services at no cost to the
13 recipient, and
14 (2) is exempt from taxation pursuant to the
15 provisions of Section 501(c)(3) of the Internal
16 Revenue Code of 1986, as amended, 26 U.S.C.,
17 Section 501(c)(3), and
18 d. any community mental health center as defined in
19 Section 3-302 of Title 43A of the Oklahoma Statutes;

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

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

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

22 26. Sales of tickets for admission by any museum accredited by
23 the American ~~Association~~ Alliance of Museums. In order to be
24 eligible for the exemption provided by this paragraph, an amount

1 equivalent to the amount of the tax which would otherwise be
2 required to be collected pursuant to the provisions of Section 1350
3 et seq. of this title shall be separately stated on the admission
4 ticket and shall be collected and used for the sole purpose of
5 servicing or aiding in the servicing of debt incurred by the museum
6 to effect the construction, enlarging or renovation of any facility
7 to be used for entertainment, edification, or cultural cultivation
8 to which entry is gained with a paid admission ticket;

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

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

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

19 30. a. Until July 1, 2022, transfer of tangible personal
20 property made pursuant to Section 3226 of Title 63 of
21 the Oklahoma Statutes by the University Hospitals
22 Trust, and

23 b. Effective July 1, 2022, transfer of tangible personal
24 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;

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

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

18 33. The sale, use, storage, consumption, or distribution in
19 this state, whether by the importer, exporter, or another person, of
20 any satellite or any associated launch vehicle including components
21 of, and parts and motors for, any such satellite or launch vehicle,
22 imported or caused to be imported into this state for the purpose of
23 export by means of launching into space. This exemption provided by
24 this paragraph shall not be affected by:

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

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

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

36. The sale, lease, use, storage, consumption, or distribution in this state of tangible personal property meeting the definition of "section 38 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the Internal Revenue Code of 1986, as amended, that is an integral part of and used primarily in support of space flight; however, section 38 property used in support of space flight shall not include general office equipment, any boat, mobile home, motor vehicle, or other vehicle of a class or type required to be

1 registered, licensed, titled or documented in this state or by the
2 United States government, or any other property not specifically
3 suited to supporting space activity. The term "in support of space
4 flight", for purposes of this paragraph, means the altering,
5 monitoring, controlling, regulating, adjusting, servicing, or
6 repairing of any space facility, space propulsion systems or space
7 vehicle, satellite, or station possessing space flight capacity
8 including the components thereof;

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

17 Any person furnishing a false affidavit to the vendor for the
18 purpose of evading payment of any tax imposed by Section 1354 of
19 this title shall be subject to the penalties provided by law. As
20 used in this paragraph, "machinery and equipment" means "section 38
21 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the
22 Internal Revenue Code of 1986, as amended, which is used as an
23 integral part of the manufacturing, processing, compounding, or
24 producing of items of tangible personal property. Such term

1 includes parts and accessories only to the extent that the exemption
2 thereof is consistent with the provisions of this paragraph;

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

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

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

17 41. Sales of tangible personal property or services for use on
18 campus or school construction projects for the benefit of
19 institutions of The Oklahoma State System of Higher Education,
20 private institutions of higher education accredited by the Oklahoma
21 State Regents for Higher Education, or any public school or school
22 district when such projects are financed by or through the use of
23 nonprofit entities which are exempt from taxation pursuant to the

1 provisions of the Internal Revenue Code of 1986, as amended, 26
2 U.S.C., Section 501(c)(3);

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

13 43. Sales of tangible personal property or services to or by an
14 organization which:

- 15 a. is exempt from taxation pursuant to the provisions of
16 the Internal Revenue Code of 1986, as amended, 26
17 U.S.C., Section 501(c)(3),
- 18 b. is affiliated with a comprehensive university within
19 The Oklahoma State System of Higher Education, and
- 20 c. has been organized primarily for the purpose of
21 providing education and teacher training and
22 conducting events relating to robotics;

23 44. The first Fifteen Thousand Dollars (\$15,000.00) each year
24 from sales of tangible personal property to or by youth athletic

1 teams which are part of an athletic organization exempt from
2 taxation pursuant to the provisions of the Internal Revenue Code of
3 1986, as amended, 26 U.S.C., Section 501(c)(4), for the purposes of
4 raising funds for the benefit of the team;

5 45. Sales of tickets for admission to a collegiate athletic
6 event that is held in a facility owned or operated by a municipality
7 or a public trust of which the municipality is the sole beneficiary
8 and that actually determines or is part of a tournament or
9 tournament process for determining a conference tournament
10 championship, a conference championship, or a national championship;

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

17 47. Sales of tangible personal property or services to
18 organizations which are exempt from federal taxation pursuant to the
19 provisions of Section 501(c)(3) of the Internal Revenue Code of
20 1986, as amended, 26 U.S.C., Section 501(c)(3), the memberships of
21 which are limited to honorably discharged veterans, and which
22 furnish financial support to area veterans' organizations to be used
23 for the purpose of constructing a memorial or museum;

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

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

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

17 51. Sales of tangible personal property to a public trust
18 having either a single city, town or county or multiple cities,
19 towns or counties, or combination thereof as beneficiary or
20 beneficiaries or a nonprofit organization which is exempt from
21 taxation pursuant to the provisions of the Internal Revenue Code of
22 1986, as amended, 26 U.S.C., Section 501(c)(3) for the purpose of
23 constructing improvements to or expanding a hospital or nursing home
24 owned and operated by any such public trust or nonprofit entity

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

1 Dollars (\$650,000.00). If such claims are less than or equal to
2 that amount, the Tax Commission shall make refunds to the purchasers
3 in the full amount of the documented and verified sales tax amounts.
4 If such claims by all purchasers are in excess of Six Hundred Fifty
5 Thousand Dollars (\$650,000.00), the Tax Commission shall determine
6 the amount of each purchaser's claim, the total amount of all claims
7 by all purchasers, and the percentage each purchaser's claim amount
8 bears to the total. The resulting percentage determined for each
9 purchaser shall be multiplied by Six Hundred Fifty Thousand Dollars
10 (\$650,000.00) to determine the amount of refundable sales tax to be
11 paid to each purchaser. The pro rata refund amount shall be the
12 only method to recover sales taxes paid during the preceding fiscal
13 year and no balance of any sales taxes paid on a pro rata basis
14 shall be the subject of any subsequent refund claim pursuant to this
15 paragraph;

16 52. Effective July 1, 2006, sales of tangible personal property
17 or services to any organization which assists, trains, educates, and
18 provides housing for physically and mentally handicapped disabled
19 persons and which is exempt from taxation pursuant to the provisions
20 of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
21 501(c)(3) and that receives at least eighty-five percent (85%) of
22 its annual budget from state or federal funds. In order to receive
23 the benefit of the exemption authorized by this paragraph, the
24 taxpayer shall be required to make payment of the applicable sales

1 tax at the time of sale to the vendor in the manner otherwise
2 required by law. Notwithstanding any other provision of the
3 Oklahoma Uniform Tax Procedure Code to the contrary, the taxpayer
4 shall be authorized to file a claim for refund of sales taxes paid
5 that qualify for the exemption authorized by this paragraph for a
6 period of one (1) year after the date of the sale transaction. The
7 taxpayer shall be required to provide documentation as may be
8 prescribed by the Oklahoma Tax Commission in support of the refund
9 claim. The total amount of sales tax qualifying for exempt
10 treatment pursuant to this paragraph shall not exceed One Hundred
11 Seventy-five Thousand Dollars (\$175,000.00) each fiscal year.

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

16 53. The first Two Thousand Dollars (\$2,000.00) each year of
17 sales of tangible personal property or services to, by, or for the
18 benefit of a qualified neighborhood watch organization that is
19 endorsed or supported by or working directly with a law enforcement
20 agency with jurisdiction in the area in which the neighborhood watch
21 organization is located. As used in this paragraph, "qualified
22 neighborhood watch organization" means an organization that is a
23 not-for-profit corporation under the laws of this state that was
24 created to help prevent criminal activity in an area through

1 community involvement and interaction with local law enforcement and
2 which is one of the first two thousand organizations which makes
3 application to the Oklahoma Tax Commission for the exemption after
4 March 29, 2006;

5 54. Sales of tangible personal property to a nonprofit
6 organization, exempt from taxation pursuant to the provisions of the
7 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
8 501(c)(3), organized primarily for the purpose of providing services
9 to homeless persons during the day and located in a metropolitan
10 area with a population in excess of five hundred thousand (500,000)
11 persons according to the latest Federal Decennial Census. The
12 exemption authorized by this paragraph shall be applicable to sales
13 of tangible personal property to a qualified entity occurring on or
14 after January 1, 2005;

15 55. Sales of tangible personal property or services to or by 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) for events the principal purpose of which
19 is to provide funding for the preservation of wetlands and habitat
20 for wild ducks;

21 56. Sales of tangible personal property or services to or by an
22 organization 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) for events the principal purpose of which

1 | is to provide funding for the preservation and conservation of wild
2 | turkeys;

3 | 57. Sales of tangible personal property or services to an
4 | organization which:

5 | a. is exempt from taxation pursuant to the provisions of
6 | the Internal Revenue Code of 1986, as amended, 26

7 | U.S.C., Section 501(c) (3), and

8 | b. is part of a network of community-based, autonomous
9 | member organizations that meets the following
10 | criteria:

11 | (1) serves people with workplace disadvantages and
12 | disabilities by providing job training and
13 | employment services, as well as job placement
14 | opportunities and post-employment support,

15 | (2) has locations in the United States and at least
16 | twenty other countries,

17 | (3) collects donated clothing and household goods to
18 | sell in retail stores and provides contract labor
19 | services to business and government, and

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

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

16 59. Sales of tickets for admission and complimentary or free
17 tickets for admission which have a value equivalent to the charge
18 that would have otherwise been made to a professional sporting event
19 involving ice hockey, baseball, basketball, football or arena
20 football, or soccer. As used in this paragraph, "professional
21 sporting event" means an organized athletic competition between
22 teams that are members of an organized league or association with
23 centralized management, other than a national league or national
24 association, that imposes requirements for participation in the

1 league upon the teams, the individual athletes, or both, and which
2 uses a salary structure to compensate the athletes;

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

10 61. Sales of tangible personal property or services to an
11 organization, 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), and which is itself a member of an
14 organization which is exempt from taxation pursuant to the
15 provisions of the Internal Revenue Code of 1986, as amended, 26
16 U.S.C., Section 501(c)(3), if the membership organization is
17 primarily engaged in advancing the purposes of its member
18 organizations through fundraising, public awareness, or other
19 efforts for the benefit of its member organizations, and if the
20 member organization is primarily engaged either in providing
21 educational services and programs concerning health-related diseases
22 and conditions to individuals suffering from such health-related
23 diseases and conditions or their caregivers and family members or
24 support to such individuals, or in health-related research as to

1 such diseases and conditions, or both. In order to qualify for the
2 exemption authorized by this paragraph, the member nonprofit
3 organization shall be required to provide proof to the Oklahoma Tax
4 Commission of its membership status in the membership organization;

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

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

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

20 65. Sales of boxes of food by a church or by an organization,
21 which is 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). To qualify under the provisions of this paragraph, the
24 organization must be organized for the primary purpose of feeding

1 needy individuals or to encourage volunteer service by requiring
2 such service in order to purchase food. These boxes shall only
3 contain edible staple food items;

4 66. Sales of tangible personal property or services to any
5 person with whom a church has duly entered into a construction
6 contract, necessary for carrying out such contract or to any
7 subcontractor to such a construction contract;

8 67. Sales of tangible personal property or services used
9 exclusively for charitable or educational purposes, to or by an
10 organization which:

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

14 b. has filed a Not-for-Profit Certificate of
15 Incorporation in this state, and

16 c. is organized for the purpose of:

17 (1) providing training and education to
18 developmentally disabled individuals,

19 (2) educating the community about the rights,
20 abilities, and strengths of developmentally
21 disabled individuals, and

22 (3) promoting unity among developmentally disabled
23 individuals in their community and geographic
24 area;

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

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

- 13 a. possesses a 3-star rating from the Department of Human
14 Services Reaching for the Stars Program or a national
15 accreditation, and
- 16 b. allows on-site universal prekindergarten education to
17 be provided to four-year-old children through a
18 contractual agreement with any public school or school
19 district.

20 For the purposes of this paragraph, sales made to any person,
21 firm, agency, or entity that has entered previously into a
22 contractual relationship with a child care center for construction
23 and improvement of buildings and other structures owned by the child
24 care center and operated for educational purposes shall be

1 considered sales made to a child care center. Any such person,
2 firm, agency, or entity making purchases on behalf of a child care
3 center shall certify, in writing, on the copy of the invoice or
4 sales ticket the nature of the purchase. Any such person, or person
5 acting on behalf of a firm, agency, or entity making purchases on
6 behalf of a child care center in violation of this paragraph shall
7 be guilty of a misdemeanor and upon conviction thereof shall be
8 fined an amount equal to double the amount of sales tax involved or
9 incarcerated for not more than sixty (60) days or both;

10 70. a. Sales of tangible personal property to a service
11 organization of mothers who have children who are
12 serving or who have served in the military, which
13 service organization is exempt from taxation pursuant
14 to the provisions of the Internal Revenue Code of
15 1986, as amended, 26 U.S.C., Section 501(c)(19) and
16 which is known as the Blue Star Mothers of America,
17 Inc. The exemption provided by this paragraph shall
18 only apply to the purchase of tangible personal
19 property actually sent to United States military
20 personnel overseas who are serving in a combat zone
21 and not to any other tangible personal property
22 purchased by the organization. Provided, this
23 exemption shall not apply to any sales tax levied by a
24

1 city, town, county, or any other jurisdiction in this
2 state.

3 b. The exemption authorized by this paragraph shall be
4 administered in the form of a refund from the sales
5 tax revenues apportioned pursuant to Section 1353 of
6 this title, and the vendor shall be required to
7 collect the sales tax otherwise applicable to the
8 transaction. The purchaser may apply for a refund of
9 the state sales tax paid in the manner prescribed by
10 this paragraph. Within sixty (60) days after the end
11 of each calendar quarter, any purchaser that is
12 entitled to make application for a refund based upon
13 the exempt treatment authorized by this paragraph may
14 file an application for refund of the state sales
15 taxes paid during such preceding calendar quarter.

16 The Tax Commission shall prescribe a form for purposes
17 of making the application for refund.

18 c. A purchaser who applies for a refund pursuant to this
19 paragraph shall certify that the items were actually
20 sent to military personnel overseas in a combat zone.
21 Any purchaser that applies for a refund for the
22 purchase of items that are not authorized for
23 exemption under this paragraph shall be subject to a

1 penalty in the amount of Five Hundred Dollars
2 (\$500.00);

3 71. Sales of food and snack items to or by an organization
4 which is exempt from taxation pursuant to the provisions of the
5 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
6 501(c)(3), whose primary and principal purpose is providing funding
7 for scholarships in the medical field;

8 72. Sales of tangible personal property or services for use
9 solely on construction projects for organizations which are exempt
10 from taxation pursuant to the provisions of the Internal Revenue
11 Code of 1986, as amended, 26 U.S.C., Section 501(c)(3) and whose
12 purpose is providing end-of-life care and access to hospice services
13 to low-income individuals who live in a facility owned by the
14 organization. The exemption provided by this paragraph applies to
15 sales to the organization as well as to sales to any person with
16 whom the organization has duly entered into a construction contract,
17 necessary for carrying out such contract or to any subcontractor to
18 such a construction contract. Any person making purchases on behalf
19 of such organization shall certify, in writing, on the copy of the
20 invoice or sales ticket to be retained by the vendor that the
21 purchases are made for and on behalf of such organization and set
22 out the name of such organization. Any person who wrongfully or
23 erroneously certifies that purchases are for any of the above-named
24 organizations or who otherwise violates this section shall be guilty

1 of a misdemeanor and upon conviction thereof shall be fined an
2 amount equal to double the amount of sales tax involved or
3 incarcerated for not more than sixty (60) days or both;

4 73. Sales of tickets for admission to events held by
5 organizations exempt from taxation pursuant to the provisions of the
6 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
7 501(c)(3) that are organized for the purpose of supporting general
8 hospitals licensed by the State Department of Health;

9 74. Sales of tangible personal property or services:

10 a. to a foundation which is exempt from taxation pursuant
11 to the provisions of the Internal Revenue Code of
12 1986, as amended, 26 U.S.C., Section 501(c)(3) and
13 which raises tax-deductible contributions in support
14 of a wide range of firearms-related public interest
15 activities of the National Rifle Association of
16 America and other organizations that defend and foster
17 Second Amendment rights, and

18 b. to or by a grassroots fundraising program for sales
19 related to events to raise funds for a foundation
20 meeting the qualifications of subparagraph a of this
21 paragraph;

22 75. Sales by an organization or entity which is exempt from
23 taxation pursuant to the provisions of the Internal Revenue Code of
24 1986, as amended, 26 U.S.C., Section 501(c)(3) which are related to

1 a fundraising event sponsored by the organization or entity when the
2 event does not exceed any five (5) consecutive days and when the
3 sales are not in the organization's or the entity's regular course
4 of business. Provided, the exemption provided in this paragraph
5 shall be limited to tickets sold for admittance to the fundraising
6 event and items which were donated to the organization or entity for
7 sale at the event;

8 76. Effective November 1, 2017, sales of tangible personal
9 property or services to an organization which is exempt from
10 taxation pursuant to the provisions of the Internal Revenue Code of
11 1986, as amended, 26 U.S.C., Section 501(c)(3) and operates as a
12 collaborative model which connects community agencies in one
13 location to serve individuals and families affected by violence and
14 where victims have access to services and advocacy at no cost to the
15 victim;

16 77. Effective July 1, 2018, sales of tangible personal property
17 or services to or by an association 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)(19) and which is known as the
20 National Guard Association of Oklahoma;

21 78. Effective July 1, 2018, sales of tangible personal property
22 or services to or by an association which is exempt from taxation
23 pursuant to the provisions of the Internal Revenue Code of 1986, as

1 | amended, 26 U.S.C., Section 501(c)(4) and which is known as the
2 | Marine Corps League of Oklahoma;

3 | 79. Sales of tangible personal property or services to the
4 | American Legion, whether the purchase is made by the entity
5 | chartered by the United States Congress or is an entity organized
6 | under the laws of this or another state pursuant to the authority of
7 | the national American Legion organization;

8 | 80. Sales of tangible personal property or services to or by an
9 | organization which is:

10 | a. exempt 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. verified with a letter from the MIT Fab Foundation as
14 | an official member of the Fab Lab Network in
15 | compliance with the Fab Charter, and

16 | c. able to provide documentation that its primary and
17 | principal purpose is to provide community access to
18 | advanced 21st century manufacturing and digital
19 | fabrication tools for science, technology,

20 | engineering, art and math (STEAM) learning skills,
21 | developing inventions, creating and sustaining
22 | businesses, and producing personalized products;

23 | 81. Effective November 1, 2021, sales of tangible personal
24 | property or services used solely for construction and remodeling

1 projects to an organization which is exempt from taxation pursuant
2 to the provisions of the Internal Revenue Code of 1986, as amended,
3 26 U.S.C., Section 501(c) (3), and which meets the following
4 requirements:

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

21 82. Effective November 1, 2021, sales of tangible personal
22 property or services to a nonprofit entity, organized pursuant to
23 Oklahoma law before January 1, 2022, exempt from federal income
24 taxation pursuant to Section 501(c) of the Internal Revenue Code of

1 1986, as amended, the principal functions of which are to provide
2 assistance to natural persons following a disaster, with program
3 emphasis on repair or restoration to single-family residential
4 dwellings or the construction of a replacement single-family
5 residential dwelling. As used in this paragraph, "disaster" means
6 damage to property with or without accompanying injury to persons
7 from heavy rain, high winds, tornadic winds, drought, wildfire,
8 snow, ice, geologic disturbances, explosions, chemical accidents or
9 spills, and other events causing damage to property on a large
10 scale. For purposes of this paragraph, an entity that expended at
11 least seventy-five percent (75%) of its funds on the restoration to
12 single-family housing following a disaster including related general
13 and administrative expenses, shall be eligible for the exemption
14 authorized by this paragraph;

15 83. Effective November 1, 2021, through December 31, 2024,
16 sales of tangible personal property or services to a museum that:
17 a. operates as a part of an organization which is exempt
18 from taxation pursuant to the provisions of the
19 Internal Revenue Code of 1986, as amended, 26 U.S.C.,
20 Section 501(c) (3),
21 b. is not accredited by the American Alliance of Museums,
22 and
23 c. operates on an annual budget of less than One Million
24 Dollars (\$1,000,000.00);

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

14 85. Sales of tangible personal property or services to or by a
15 women's veterans organization, and its subchapters in this state,
16 that is 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)(19) and is known as the Oklahoma Women Veterans Organization;

19 86. Sales of tangible personal property or services to a
20 nonprofit entity, organized pursuant to Oklahoma law before January
21 1, 2019, exempt from federal income taxation pursuant to Section
22 501(c) of the Internal Revenue Code of 1986, as amended, the
23 principal functions of which are to provide assistance to natural
24 persons following a disaster, with program emphasis on repair or

1 restoration to single-family residential dwellings or the
2 construction of a replacement single-family residential dwelling.
3 For purposes of this paragraph, an entity operated exclusively for
4 charitable and educational purposes through the coordination of
5 volunteers for the disaster recovery of homes (as derived from Part
6 III, Statement of Program Services, of Internal Revenue Service Form
7 990) and which offers its services free of charge to disaster
8 survivors statewide who are low income with no or limited means of
9 recovery on their own for the restoration to single-family housing
10 following a disaster including related general and administrative
11 expenses, shall be eligible for the exemption authorized by this
12 paragraph. The exemption provided by this paragraph shall only be
13 applicable to sales made on or after ~~the effective date of this act~~
14 July 1, 2022. As used in this paragraph, "disaster" means damage to
15 property with or without accompanying injury to persons from heavy
16 rain, high winds, tornadic winds, drought, wildfire, snow, ice,
17 geologic disturbances, explosions, chemical accidents or spills and
18 other events causing damage to property on a large scale; and

19 87. Effective July 1, 2022, sales of tangible personal property
20 or services to an organization which is exempt from taxation
21 pursuant to the provisions of the Internal Revenue Code of 1986, as
22 amended, 26 U.S.C., Section 501(c)(3) and which provides support to
23 veterans, active duty members of the Armed Forces, reservists, and
24 members of the National Guard to assist with the transition to

1 | civilian life and which provides documentation to the Oklahoma Tax
2 | Commission that over seventy percent (70%) of its revenue is
3 | expended on support for transition to civilian life; and

4 | 88. Sales of tangible personal property or services to or by an
5 | organization in this state which:

- 6 | a. is exempt from taxation pursuant to the provisions of
7 | the Internal Revenue Code of 1986, as amended, 26
8 | U.S.C., Section 501(c) (3), and
- 9 | b. provides documentation to the Oklahoma Tax Commission
10 | showing the organization's principal purpose is to
11 | provide school supplies or articles of clothing for
12 | underserved students attending grades prekindergarten
13 | through twelve at public schools in this state.

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

15 | Passed the Senate the 25th day of March, 2025.

16 |
17 |

18 | Presiding Officer of the Senate

19 | Passed the House of Representatives the ____ day of _____,
20 | 2025.

21 |
22 |

23 | Presiding Officer of the House
24 | of Representatives